

July 2, 2020

Bombay Stock Exchange Limited
New Trading Ring,
Rotunda Building, P J Towers, Dalal
Street, Fort
Mumbai-400001
Security Code: 535754

National Stock Exchange of India Limited
“Exchange Plaza”, Plot No. C-1, Block G
Bandra – Kurla Complex, Bandra (East),
Mumbai – 400 051
Symbol: ORIENTCEM

Dear Sir,

Sub: Notice of 9th Annual General Meeting, Book Closure and Dividend for the financial year 2019-20

This is to inform you that:

1. The 9th Annual General Meeting (AGM) of the Members of Orient Cement Limited will be held on Friday, 31st day of July, 2020 at 11:00 A.M. through Video Conferencing (VC)/Other Audio Visual Means (OAVM) in compliance with the provisions of the Companies Act, 2013 and circulars dated May 5, 2020, April 8, 2020 and April 13, 2020 issued by the Ministry of Corporate Affairs (hereinafter referred to as “MCA Circular”) and the Securities and Exchange Board of India (“SEBI”) circular dated May 12, 2020 (hereinafter referred to as “SEBI Circular”).
2. In compliance with the aforesaid MCA Circulars and SEBI Circular, owing to the difficulties involved in dispatching of physical copies of the Annual Report for the financial year 2019-20 including financial statements (along with Board's Report, Auditor's Report or other documents required to be attached therewith), Notice of the 9th AGM along with the Annual Report for the financial year 2019-20 is being sent only through electronic mode to those shareholders whose email addresses are registered with the Company/ Depositories/ Registrar and Share Transfer Agent of the Company.
3. In compliance with Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), copy of Notice of the AGM and the Annual Report for the financial year 2019-20 as sent to the shareholders is attached herewith. It is hereby confirmed that the Notice convening the 9th AGM and the Annual Report for the financial year 2019-20 has been electronically sent to the shareholders of the Company on July 2, 2020.

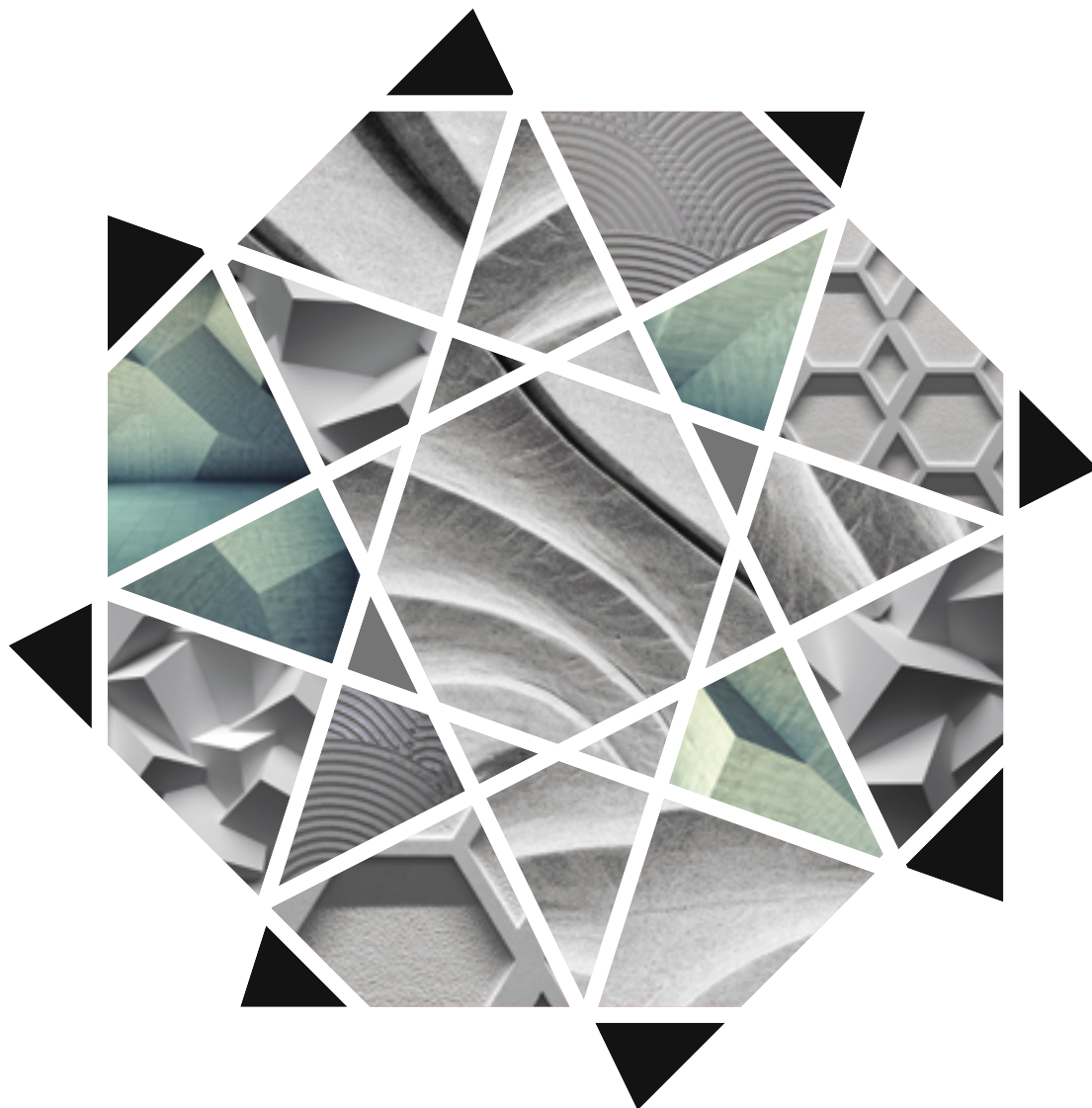
4. Pursuant to Regulation 42 of the Listing Regulations, the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 25th July, 2020 to Friday, 31st July, 2020, both days inclusive, for AGM and for determining the entitlement of the shareholders to the final dividend for 2019-20.
5. The dividend on Equity Shares, if declared at the AGM, will be credited/ dispatched by 10th August, 2020 to the bank account of the shareholders whose bank mandate are updated in the records of the Depository Participants/Company as on the book closure date. For shareholders whose bank mandates are not updated with the Depository Participants /Company as on the book closure date, demand drafts or warrants or cheques shall be sent by speed post upon normalization of printing and postal services in terms of SEBI Circular.
6. The Company has engaged M/s KFin Technologies Private Limited for providing facility for remote e-voting, participation in the AGM through VC/OAVM and e-voting during the AGM. The remote e-voting period commences on 28th July, 2020 (9:00 A.M. IST) and ends on 30th July, 2020 (5:00 P.M. IST). During this period, members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date, i.e., 24th July, 2020, may cast their vote by remote e-voting.

Kindly take the same on record.

Yours faithfully,
For **Orient Cement Limited**

Nidhi Bisaria
(Company Secretary)

Encl. As stated



Orient Cement Limited

Annual Report 2019-20

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

WE ARE

GREAT PLACE TO WORK - CERTIFIED™

Building and sustaining High-Trust, High-Performance Culture™



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Corporate Information

BOARD OF DIRECTORS

1. **Mr. Chandrakant Birla**, Chairman
2. **Mrs. Amita Birla**
3. **Mr. Rajeev Jhawar**
4. **Mr. Rabindranath Jhunjhunwala**
5. **Mr. Janat Shah**
6. **Mr. Swapan Dasgupta**
7. **Mr. I.Y.R. Krishna Rao**
8. **Mrs. Varsha Vasant Purandare**
9. **Mr. Desh Deepak Khetrpal**, Managing Director & CEO

KEY MANAGERIAL PERSONS

1. **Mr. Desh Deepak Khetrpal**, Managing Director & CEO
2. **Mr. Sushil Gupta**, Chief Financial Officer
(resigned w.e.f. 29th Jan, 2020)
3. **Mr. Soumitra Bhattacharyya**, Chief Financial Officer
(appointed w.e.f. 29th Jan, 2020)
4. **Mrs. Nidhi Bisaria**, Company Secretary

STATUTORY AUDITORS

M/s. S.R. Batliboi & Co. LLP,
Chartered Accountants,
22, Camac Street, Block C, 3rd Floor, Kolkata - 700016

REGISTERED OFFICE

Unit-VIII, Plot No.7, Bhoingar, Bhubaneswar - 751012
(Odisha)

CORPORATE IDENTIFICATION NO.

L26940OR2011PLC013933

MANUFACTURING PLANTS

Devapur:

P.O. Devapur Cement Works, Dist. Adilabad - 504218
(Telangana)

Jalgaon:

Nashirabad, Dist. Jalgaon (Maharashtra)

Chittapur:

Village Itaga, Malkhaid Road, Taluka Chittapur,
Dist. Kalburagi, Karnataka - 585292

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Private Limited
(formerly Karvy Fintech Private Limited)

Unit: Orient Cement Limited

6F-025, 6th Floor, Selenium, Tower B,
Gachibowli, Financial District, Nanakramguda,
Hyderabad - 500032

Toll Free No.: 1800-3454-001

Email: einward.ris@kfintech.com

BANKERS

State Bank of India

HDFC Bank Limited

Indian Bank

ICICI Bank Limited

EXIM Bank of India

Punjab National Bank

9TH ANNUAL GENERAL MEETING

(through Video Conferencing /Other Audio Visual Means)

Date: 31st day of July, 2020

Day: Friday

Time: 11:00 A.M.

BOOK CLOSURE FOR AGM

Saturday, 25th day of July, 2020 to
Friday, 31st day of July, 2020
(Both days inclusive)

WEBSITE

www.orientcement.com

WE ARE

GREAT PLACE TO WORK - CERTIFIED™

Building and sustaining High-Trust, High-Performance Culture™



Chairman's Overview



At Orient Cement, we have built our Company around a distinctive spirit.

This spirit has focused consistently on operational and execution excellence, irrespective of the challenges posed by the business environment.

This spirit was most visible during the last financial year when the Indian cement industry de-grew for the first time in years.

Your Company responded to the challenges of a demand slowdown with a sense of passion. Your Company enhanced focus on factors of competitiveness and efficiency within its control. Fixed costs as well as variable costs per ton were contained and kept flat at the previous year levels, despite the usual impact of inflation on inputs like domestic coal, diesel and other resources. This was the result of a deepening commitment to placing 'How differently can we perform?' over the conventional 'How much more can we produce or sell?'

Besides, your Company continued to focus on marketing superior cement possessing a distinctive USP. The proportion of sales derived from its super premium brand 'Birla A1 StrongCrete' has been consistently increasing. This is helping us strengthen our market position in a competitive environment. It is also helping us counter the price challenges faced in the PPC segment in our markets, strengthening our overall realisations.

Your Company continues to believe that for a business to be sustainably profitable, it does not just need to report robust revenues and surpluses; the business needs to adopt the highest standards of health, safety and environment integrity. During the last financial year, your Company took these standards ahead, underlining its overall commitment to the health of people, communities and the environment.

Your Company continued to recruit, train and retain high quality talent with vigour and excitement. This differentiation was validated when your Company was recently certified as a Great Place To Work by GPTW Institute. The workplace continues to be charged with innovative ideas and new ways of doing business. Your Company continues to play the role of an 'opportunity enabler' that provides talent a platform to conceive, connect, collaborate and achieve more in an effective way.

I am optimistic that the complement of these attributes will make it possible for your Company to counter the current downtrend and recover fastest when conditions revive. I continue to believe that we are engaged in an exciting journey where we expect to add attractive long-term value in the hands of those associated with our Company.

Orient Cement's
spirit has focused
consistently
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challenges posed
by the business
environment.

CK. Birla, Chairman

Managing Director's Review



I am communicating with you during an unprecedented, unpredictable and extremely challenging phase for the entire world, both at the humanitarian as well as economic / business fronts.

The economic slowdown of the last couple of years, compounded by the pandemic-induced lockdown, has resulted in extreme uncertainty. This uncertainty is not merely limited to

business outlook but is at a far larger humanitarian level.

At Orient Cement, we have consistently celebrated the power and potential of the spirit of our Company. During the last few years, our annual reports to shareholders have showcased the outperformers of our Company. The individuals who we selected were a representation of a larger Orient

Cement spirit where the good needed to be made better, where urgency was the preferred currency and where we embraced the new, complex and challenging with a smile and an uncompromising commitment to a culture of excellence.

During the pandemic, there was a premium in protecting this distinctive spirit. At our Company, the most effective way of doing so lay in ensuring that each employee and associate remained completely safe during the pandemic. At a time when the risks of infection were extensive, the over-riding management priority was to place the well-being of our people at the apex of our strategic pyramid. If our people remained safe, everything else would be achievable.

At Orient Cement, we articulated this priority to reach the last person within. We emphasised the virtues of staying safe over being adventurous; we highlighted the need to maximise control over all the variables that affected our safety. The result is that even before the lockdown had been enforced from 25 March 2020, the Company had implemented an emergency-preparedness plan to comprehensively protect the interests of employees, assets and associates. This plan was not cast in stone; it was organic enough to accommodate emerging priorities and developments. This deepened a culture of adaptive preparedness (over which we would have control) over the predictive (over which we had no control).

The three elements of our preparedness were Hyper-vigilance, Agility and Empathy.

At Orient Cement, an over-riding culture of hyper-vigilance was our insurance in protecting our people from the pandemic whose spread could not be predicted. The Company made an extensive use of the Aarogya Setu app (launched by the government to track the virus spread) among employees and associates (including truck drivers). The question that we asked everyone at the start of every virtual interaction was 'What *more* have you done to keep yourself safe?' followed by business reviews. In doing so, we extended the subject of safety from just another box that needed to be ticked to hyper-vigilant approaches that we needed to implement to enhance our collective and individual well-being. We made work from home mandatory for all employees through the lockdown; even after the authorities permitted offices to re-open, the permission to attend office to take care of some urgent work needed to be pre-cleared by the topmost management level.

Besides, the Company created multiple operating scenarios that took into account varying numbers of workers, transportation fleet and quantities to be dispatched. This blueprint (which kept getting updated) served as our evolving framework of how we would respond with speed and safety to opportunities as they presented themselves.

The second feature of our response was reflected in a sense of agility. At a time when we were locked into our homes, we stepped up our planning and made it inclusive. Our bottom-up cross-functional planning and preparedness was reflected in our

agility a month later in April 2020 when Orient Cement emerged amongst the first cement companies in the country to commence dispatches after having been permitted by the government, with comprehensive, detailed SOPs for safety and operations.

The third feature that underscored our spirit was empathy. The extent of concern for collective safety that went out across employee teams emphasised what we have always believed – that Orient Cement is a family engaged in a larger life purpose. Our teams provided cooked meals and groceries to communities living in the catchment areas of our manufacturing facilities; we addressed the various needs of migrant labour; the wives of

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our senior executives at plants cooked meals for the truck drivers reaching our plants after a long journey to collect cement dispatches when roadside eateries were closed.

This complement – hyper-vigilance, agility and empathy – enriched our spirit. Our manufacturing facilities emerged as oases of security and compassion during some of the most challenging days.

I must go back to some lines that I had written in my previous communication to you: '... that one attribute that makes the difference between success and

failure... is collaboration. The better a cement company collaborates with its stakeholders, the more effective it becomes...We made this virtually central to all our communication within that the strength of the wolf was the strength of the pack (and vice versa); that we would only be as strong as the weakest link in our chain; that when we collaborate, the sum of the constituents would always be larger than their respective standalone value... this spirit of collaboration represents a multiplier that we believe will enhance value in a substantial way for all our stakeholders across the foreseeable future.'

When these words were written I had no idea that within less than a year, this collaborative spirit would be tested and validated. While the outlook continues to be uncertain, we are cautiously optimistic of our response to emerging developments.

We expect that the combination of hyper-vigilance, agility and empathy should translate into our collective safety and outperformance in the coming months.

Deepak Khetrpal,
Managing Director & CEO

Our Board of Directors

MR. CHANDRAKANT BIRLA

(CHAIRMAN)

Date of appointment: 23rd July, 2011

DIN: 00118473

Qualification: Bachelor of Arts

Occupation: Industrialist

Expertise in specific functional areas: Industrialist having rich business experience in managing diversified industrial enterprises

MR. DESH DEEPAK KHETRAPAL

(MANAGING DIRECTOR & CEO)

Date of appointment: 2nd April, 2012

DIN: 02362633

Qualification: Honours degree in Business & Economics and Master's degree in Business Administration in Marketing and Finance from the Delhi University

Occupation: Service

Expertise in specific functional areas: Professional business leader with a track record of leading and transforming large and diversified organizations, across various Industries including services, industrials, consumer and retail businesses.

MRS. AMITA BIRLA

(NON- EXECUTIVE DIRECTOR)

Date of appointment: 27th March, 2015

DIN: 00837718

Qualification: GCE-A Level

Occupation: Industrialist

Expertise in specific functional areas: Management and Operation of diverse nature of business.

MR. RAJEEV JHAWAR

(INDEPENDENT DIRECTOR)

Date of appointment: 9th August, 2014

DIN: 00086164

Qualification: Commerce Graduate and Management Development Course from London Business School

Occupation: Industrialist

Expertise in specific functional areas: Industrialist having rich business experience in managing diversified industrial enterprises

MR. JANAT SHAH

(INDEPENDENT DIRECTOR)

Date of appointment: 30th April, 2014

DIN: 01625535

Qualification: Fellow of IIMA (equivalent to PhD) in Operations Management, B. Tech (Mechanical) from IIT Mumbai

Occupation: Service

Expertise in specific functional areas: Operations Strategy and Supply Chain Management

MR. RABINDRANATH JHUNJHUNWALA

(INDEPENDENT DIRECTOR)

Date of appointment: 9th August, 2014

DIN: 00050729

Qualification: B.A., LL.B (Hons) from National Law School of India University, Bangalore

Occupation: Partner in Khaitan & Co.

Expertise in specific functional areas: Corporate Laws- domestic and cross border mergers & acquisitions, private equity investment, foreign investments advisor (both inbound and outbound)

MR. SWAPAN DASGUPTA

(INDEPENDENT DIRECTOR)

Date of appointment: 4th August, 2015

DIN: 07113693

Qualification: PhD from the School of Oriental & African Studies (London) and a former Fellow of Nuffield College, Oxford

Occupation: Writer, broadcaster, public policy analyst and Member of Parliament

Expertise in specific functional areas: Writing and public policy analysing

MR. I.Y.R KRISHNA RAO

(INDEPENDENT DIRECTOR)

Date of appointment: 5th May, 2017

DIN: 00481367

Qualification: M.A.(Economics)

Occupation: Retired IAS-Chief Secretary, Andhra Pradesh

Expertise in specific functional areas: Administration, Economics & Finance

MRS. VARSHA VASANT PURANDARE

(INDEPENDENT DIRECTOR)

Date of appointment: 8th February, 2019

DIN: 05288076

Qualification: Bachelor of Science (Chemistry), Diploma in Business Management

Occupation: Retired Banker

Expertise in specific functional areas: Credit, Forex, Treasury, Capital Markets, Investment Banking and Private Equity Businesses

Orient Cement Limited

CIN:L26940OR2011PLC013933

Registered Office: Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar, Odisha-751 012

Tel: 0674-2396930 | Fax No. 0674-2396364

Corporate Office: Birla Tower, 3rd Floor, 25, Barakhamba Road, New Delhi-110 001

Tel: 011-42092100, 011-42092190

investors@orientcement.com | www.orientcement.com

Notice

NOTICE is hereby given that the 9th Annual General Meeting of the Members of Orient Cement Limited will be held on Friday, the 31st day of July, 2020 at 11:00 a.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2020, including the audited Balance Sheet as at March 31, 2020, the Statement of Profit & Loss and Cash Flow Statement for the financial year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare a final dividend of ₹0.75/- per equity share of face value of ₹1/- each for the financial year ended March 31, 2020.
3. To appoint a Director in place of Mrs. Amita Birla (DIN 00837718), who retires by rotation under the provisions of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

Item No. 4- Re-appointment of Mr. Swapan Dasgupta (DIN 07113693) as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Swapan Dasgupta (DIN 07113693), whose term as an Independent Director would expire on August 3, 2020, be and is hereby re-appointed as an Independent Director of the Company for another term of five years to hold the office from August 4, 2020 upto August 3, 2025, not liable to retire by rotation."

Item No. 5- Fixing the remuneration of Mr. Somnath Mukherjee, Cost Auditor of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 148(3) and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the Cost Audit fees amounting to ₹85,000/- (Rupees eighty five thousand only) plus out of pocket expenses to be paid to Mr. Somnath Mukherjee, Cost Accountant in Practice (M.NO.-F5343), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2020-21, required to be audited under the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), be and is hereby ratified and approved."

Item No. 6- Approval of the terms of remuneration of Mr. Desh Deepak Khetrpal, Managing Director & CEO (DIN 02362633)

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 ("Companies Act") and the rules, circulars, orders and notifications issued there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act and subject to the approval of Central Government and/ or approval of other Government/ regulatory authorities/ agencies, as may be necessary, the consent of the shareholders be and is hereby accorded for the re-appointment of Mr. Desh Deepak Khetrpal (DIN 02362633) as Managing Director & Chief Executive Officer of the Company with effect from April 1, 2020 for a period of 2 (two) years on the below mentioned terms & conditions including remuneration:

A. Tenure of Re-appointment

From April 1, 2020 to March 31, 2022

B. Remuneration

From April 1, 2020 to March 31, 2021

Particulars	P.M. (Rupees)	P.A. (Rupees)
Basic Salary/ Basic Pay	30,00,000	3,60,00,000
Personal Allowance/ Pay	12,00,000	1,44,00,000
Special Allowance/ Pay	11,88,608	1,42,63,296
Medical Allowance/Reimbursements	10,000	1,20,000
LTA	2,50,000	30,00,000
Gross Salary	56,48,608	6,77,83,296

- C. In addition to the above, the Managing Director & Chief Executive Officer shall be provided suitable Company leased accommodation/ House Rent Allowance of ₹4,00,000/- per month and Company car (fully maintained and chauffeur driven) for official use.
- D. Mr. Khetrpal shall also be entitled to an Annual performance linked variable pay of up to ₹1,12,29,500/-. The performance linked variable pay can be paid up to 120% of ₹1,12,29,500/- on achieving certain additional performance criteria as specified by the Nomination & Remuneration cum Compensation Committee of the Company from time to time.
- E. Entitlement to shares of the Company in accordance with the Employees Stock Option Scheme as adopted by the Company.
- F. Contribution to provident fund, gratuity and superannuation fund will be as per the Rules of the Company.
- G. Encashment of un-availed leave at the end of the tenure or at specified intervals will be as per the Rules of the Company and does not form part of the abovementioned compensation.
- H. Appointment will be terminable by either party by giving three months' notice or salary in lieu thereof.

RESOLVED FURTHER THAT the re-appointment of Mr. Desh Deepak Khetrpal shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT the aggregate salary, perquisites, bonus, benefits, allowances and other payments payable to Mr. Desh Deepak Khetrpal shall be subject to the limits prescribed under Section 197 and other applicable provisions of the Companies Act and the rules, circulars, orders and notifications issued there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act for the time being in force.

RESOLVED FURTHER THAT the aggregate salary, perquisites, bonus, benefits, allowances and other payments paid to Mr. Desh Deepak Khetrpal shall be subject to revision w.e.f. April 1, 2021.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, in the event of loss or inadequacy of profits in any financial year during his tenure, the Company will subject to applicable laws and such sanctions and approvals as may be required, pay remuneration to Mr. Desh Deepak Khetrpal as provided in this resolution, as minimum remuneration even if it exceeds 5 (five) percent of the net profits of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company and the Company Secretary be and are hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable including seeking approvals/ sanctions of the Government and/ or other authorities/ agencies as may be applicable and to settle any question or doubt that may arise in relation thereto, in order to give effect to the foregoing resolution."

By order of the Board of Directors

Place: New Delhi
Date: May 22, 2020

Nidhi Bisaria
Company Secretary
(M.No.FCS-5634)

NOTES:

1. In view of the prevailing COVID-19 pandemic across the country and restrictions on the movements apart from social distancing, restriction of gatherings, travel restrictions and other preventive advisories being issued by the Government from time to time, Ministry of Corporate Affairs ("MCA"), vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars"), permitted the companies to hold their Annual General Meeting ("AGM") through video conferencing ("VC") or other audio visual means ("OAVM") for the calendar year 2020 without the physical presence of the shareholders at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. In compliance with the aforesaid MCA Circulars and the Securities and Exchange Board of India ("SEBI") circular dated May 12, 2020 (hereinafter referred to as "SEBI Circular"), owing to the difficulties involved in dispatching of physical copies of the Annual Report for the financial year 2019-20 including financial statements (along with Board's Report, Auditor's Report or other documents required to be attached therewith), Notice of the 9th AGM along with the Annual Report for the financial year 2019-20 is being sent only through electronic mode to those shareholders whose email addresses are registered with the Company/ Depositories/ Registrar and Share Transfer Agent of the Company. Shareholders may note that this Notice alongwith Annual Report for the financial year 2019-20 will also be available on the website of the Company at www.orientcement.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
3. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("Act"), in respect of the Special Business to be transacted at the AGM is annexed hereto.
4. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars and SEBI Circular, physical attendance of shareholders has been dispensed with. **Accordingly, the facility for appointment of proxies by the shareholders will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.** The Route Map for the AGM is also not annexed with this AGM Notice.
5. The Company has appointed M/s KFin Technologies Private Limited, the Registrar and Share Transfer Agent ("KFin Tech" or "RTA"), to provide VC/OAVM facility and e-voting facility for the Annual General Meeting.
6. **As per the provisions of Section 103 of the Act, shareholders attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum.**
7. The Company has appointed Mr. Atul Kumar Labh, Practicing Company Secretary, (Membership No. FCS 4848/CP 3238), to act as the Scrutiniser for scrutinising the e-voting process in a fair and transparent manner.
8. Pursuant to Section 113 of the Act, Corporate shareholders are required to send the scanned copy (in PDF or JPG format) of the certified Board Resolution / Authority Letter from its governing body, as the case may be, authorising their representative(s) to attend this AGM through VC / OAVM and vote on their behalf through remote e-voting or at the AGM, by email from their registered email addresses to the Scrutiniser through e-mail to aklabhcs@gmail.com, with a copy marked to evoting@karvy.com or investors@orientcement.com.
9. The Register of Members and Share Transfer Books of the Company will remain closed from **Saturday, July 25, 2020 to Friday, July 31, 2020**, both days inclusive, for annual closing and for determining the entitlement of the shareholders to the final dividend for financial year 2019-20.
10. The dividend on Equity Shares, if declared at the AGM, will be credited on or before 10th August, 2020 to the bank account of the shareholders whose bank mandate are updated in the records of the Depository Participants/Company as on the book closure date. For shareholders whose bank mandates are not updated with the Depository Participants /Company as on the book closure date, demand drafts or warrants or cheques shall be sent by speed post upon normalization of printing and postal services in terms of SEBI Circular.
11. Shareholders who have not so far encashed their dividend paid by the Company upto and during the financial year ended March 31, 2020, may immediately approach the Company / RTA for claiming dividend amount. Information in respect of the unclaimed dividend as on March 31, 2020, will be uploaded on the website of Investor Education and Protection Fund

("IEPF") of the Government. www.iepf.gov.in and on the website of the Company, www.orientcement.com.

12. Please note that the unpaid/unclaimed dividend for the Financial Year 2012-13 shall become due to transfer to IEPF on September 11, 2020 upon completion of seven years in terms of section 124(6) of the Act. The corresponding shares shall be transferred to relevant Demat Account of the IEPF Authority as per Rule 6 of the IEPF Rules, 2016, as amended. You are thus requested to claim the unclaimed dividend by sending a written application to KFin Tech or to the Company's Registered / Corporate Office along with (a) copy of PAN Card; (b) a cancelled cheque of your registered bank account; and (c) the original un-encashed Dividend warrant or a duly filled in indemnity letter in the format available on the website of the Company, www.orientcement.com. The said application should reach the Company on or before September 4, 2020 so as to enable us to submit your request to the bankers for transfer by NEFT or issuance of Demand Draft. In case no claim is received with respect to the above dividend, the shares (whether held in physical or electronic form) will be transferred by the Company to the Demat Account of the IEPF Authority. However, the shareholders, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same as well as the corresponding dividend by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in. The shareholder can file only one consolidated claim in a financial year as per the IEPF Rules.

13. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of Shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source at the prescribed rates from dividend to be paid to shareholders. For the prescribed rates under various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits.

Above documents can be provided either by sending an email to einward.ris@kfintech.com or by uploading the self-attested documents at <https://ris.kfintech.com/form15> on or before July 20, 2020.

14. Members holding shares in electronic form are requested to intimate any change in their address and / or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. The Company or its RTA cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. The Members holding shares in physical form are requested to advise any change of address/and /or email address and / or bank mandate immediately to M/s. KFin Technologies Private Limited, 6F – 025, 6th Floor, Selenium (Tower B), Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.

15. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. SEBI has also mandated that the requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository except in the cases of transmission or transposition of securities. In view of above, shareholders holding shares in physical form are requested to open a demat account with a Depository Participant (DP) and deposit their physical shares with such DP and get their shares demat at the earliest to avoid any kind of inconvenience.

16. Details as per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms an integral part of the Notice.

17. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements shall be available for inspection by the Members on the website of the Company, www.orientcement.com. upto the date of AGM.

18. Procedure for obtaining the Annual Report, AGM Notice and e-voting instructions by the shareholders whose email addresses are not registered with the depositories or with RTA on physical folios:

Members who have not registered their email addresses and in consequence the Annual Report including Notice of AGM and e-voting instructions could not be serviced, may get their email address and mobile number registered with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, by clicking the link: https://ris.kfintech.com/email_registration/ for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, shareholder may write to einward.ris@kfintech.com.

Alternatively, members may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for obtaining the Annual Report, Notice of AGM and the e-voting instructions.

19. Voting through electronic means (Remote E-Voting):

- I. The businesses as set out in the Notice may be transacted through electronic voting system and the Company will provide a facility for voting through electronic means. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, (as amended) Standard 2 of the Secretarial Standards on General Meetings, Reg. 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, (as amended) and the MCA Circulars, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (remote e-voting) will be provided by KFin Tech.
- II. The facility for voting shall be made available at the AGM and the Members attending the Meeting who have not cast their vote through remote e-voting shall be able to exercise their right at the meeting. Please note that the voting through electronic means is optional for shareholders.
- III. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date of Friday, July 24, 2020 shall be entitled to avail the facility of remote e-voting or voting at the AGM. Persons who are not members as on the cut-off date should treat this Notice for information purposes only.
- IV. The Notice will be displayed on the website of the Company www.orientcement.com and on the website of KFin Tech, www.kfintech.com.
- V. The members who have cast their vote through remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- VI. The remote e-voting period commences on Tuesday, July 28, 2020, at 9:00 a.m. IST and ends on Thursday, July 30, 2020 at 5:00 p.m. IST. During this period, members of the Company holding shares either in physical or dematerialised form, as on the cut-off date of Friday, July 24, 2020 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by KFin Tech for voting thereafter.
- VII. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, July 24, 2020, i.e. the cut-off date are entitled to vote on the Resolutions set forth in this Notice. Eligible members who have acquired shares after the dispatch of the Annual Report and holding shares as on the cut-off date, i.e., Friday, July 24, 2020 may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.
- VIII. Members who are already registered with KFin Tech for remote e-voting can use their existing user ID and password for casting their vote. In case they don't remember their password, they can reset their password by using "Forgot User Details/Password" option available on <https://evoting.karvy.com>.
- IX. Members are requested to follow the instructions below to cast their vote through e-voting:

Upon receipt of an e-mail from KFin Tech (for Members whose e-mail addresses are registered with the Company/ Depository Participants):

- (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- (ii) Enter the login credentials (i.e. User ID and Password which are mentioned in the email). Your Folio No./ DP ID- Client ID will be your User ID.
- (iii) After entering these details appropriately, click on "LOGIN".
- (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the "EVENT" i.e., Orient Cement Limited.
- (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- (viii) Members holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
- (ix) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (x) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution(s).
- (xi) In case of any queries, please visit Help and Frequently Asked Questions (FAQs) section available at KFin Tech's website www.evoting.karvy.com.

20. Instructions for the Members for attending the AGM through VC/OAVM:

- a. Members will be provided with a facility to attend the AGM through VC/OAVM platform through the RTA of the Company. Members may access the same at <https://emeetings.kfintech.com/> under shareholders/members login by using the remote e-voting credentials.
- b. The link for AGM will be available in shareholder/members login where the EVENT '5342' and the name of the Company 'ORIENT CEMENT LIMITED' can be selected. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice.
- c. The facility for participation at the AGM through VC / OAVM platform shall open 15 minutes before the time scheduled for the AGM and will be closed on expiry of 15 minutes from the scheduled time of the AGM. The facility will be made available for 1000 members on first come first serve basis. This will not include large members (members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration cum Compensation Committee and Stakeholder's Relationship Committee, Auditors, who are allowed to attend the AGM without restriction on account of first come first serve basis.
- d. Members are encouraged to join the Meeting through laptops with Google Chrome for better experience.
- e. Further, Members will be required to allow camera, if any, and hence, use Internet with a good speed to avoid any

disturbance during the Meeting.

- f. Please note that Members connecting from mobile devices or tablets or through laptop, connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is, therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- g. Members who need technical assistance before or during the AGM, can contact KFinTech at <https://ris.kfintech.com/agmqa/agmqa/login.aspx>.

Submission of Questions / Queries prior to AGM:

- h. Members desiring any additional information or having any question or query pertaining to the business to be transacted at the AGM are requested to write to the Company on the email-id i.e. investors@orientcement.com on or before July 25, 2020. The Company will respond to the Members suitably.
 - i. Alternatively, Members holding shares as on the cut-off date may also visit <https://evoting.karvy.com> and click on the tab "Post Your Queries Here" to post their queries/views/questions in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. The window shall be activated during the remote e-voting period i.e. from July 28, 2020 (9:00 a.m. IST) to July 30, 2020 (5:00 p.m. IST).
 - j. Please note that, Members' questions will be answered only if they continue to hold the shares as on the cut-off date i.e. Friday, July 24, 2020.
 - k. Members who would like to express their views/ask questions during the AGM may register themselves at <https://ris.kfintech.com/agmvcspeakerregistration> and may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number from July 28, 2020 (9:00 a.m. IST) to July 29, 2020 (5:00 p.m. IST). The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time for the AGM. Due to limitations of transmission and coordination during the Q&A session, the Company may dispense with the speaker registration during the AGM conference.
21. Voting at the AGM: Members who could not vote through remote e-voting may avail the e-voting system provided at the venue by the RTA. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote through remote e-voting are eligible to vote through e-voting in the AGM. However, members who have voted through remote e-voting will be eligible to attend the AGM.
22. A Member can opt for only one mode of voting i.e. either through remote e-voting or at the Meeting. If a Member casts votes by both modes, then voting done through e-voting shall prevail.
23. The Scrutiniser shall, after the conclusion of voting at the AGM, first count the votes cast during the meeting and thereafter, count the votes cast through remote e-voting and shall submit a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or any officer of the Company so authorised by the Board. Result of the voting shall be declared forthwith, but within 48 hours from the conclusion of the AGM.
24. The results declared alongwith the Scrutiniser's report, will be posted on the website of the Company www.orientcement.com and on the website of KFin Tech at www.evoting.karvy.com and will be communicated to the Stock Exchanges, where the Company's shares are listed.
25. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of AGM, i.e. Friday, July 31, 2020.

By order of the Board of Directors

Nidhi Bisaria

Company Secretary

(M.No.FCS-5634)

Place: New Delhi

Date: May 22, 2020

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

The shareholders of the Company in the Annual General Meeting held on July 23, 2016, approved the appointment of Mr. Swapan Dasgupta (DIN 07113693) as Independent Director of the Company for a period of five years upto August 3, 2020. In terms of the provisions of section 149(10), Mr. Swapan Dasgupta is eligible for re-appointment as an Independent Director of the Company for another term of five years by passing special resolution in this regard.

The Company has received notice in writing under the provisions of section 160 of the Companies Act, 2013, from a member proposing the candidature of Mr. Swapan Dasgupta for the office of Independent Director, to be re-appointed as such under the provisions of section 149 of the Companies Act, 2013.

Requisite consent has been received from Mr. Swapan Dasgupta pursuant to provisions of section 152 of the Companies Act, 2013. In the opinion of the Board, Mr. Swapan Dasgupta who is proposed to be appointed as an Independent Director of the Company fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Swapan Dasgupta as an Independent Director.

Mr. Swapan Dasgupta is directly concerned and interested in this resolution as it relates to his re-appointment and no other Director or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the resolution.

Mr. Swapan Dasgupta along with his relatives do not hold any shares in the Company and has no relationship with any other Director of the Company.

The resolution seeks the approval of members for the re-appointment of Mr. Swapan Dasgupta as an Independent Director of the Company, not liable to retire by rotation, for the period of 5 years from August 4, 2020 upto August 3, 2025, pursuant to section 160 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board recommends the Special resolution set forth at Item no. 4 of the Notice for the approval of the members.

Item No. 5

In accordance with the provisions of section 148 of the Companies Act, 2013 (the "Act") and the Companies (Audit and Auditors) Rules, 2014 (the "Rules"), the Company is required to appoint a Cost Auditor to audit the cost records of the Company.

On the recommendation of the Audit Committee at its meeting held on May 22, 2020, the Board has approved the re-appointment of Mr. Somnath Mukherjee, Cost Accountant in Practice (M.NO.-F5343), as Cost Auditors of the Company for conducting the audit of the cost records of the Company for the financial year ending March 31, 2021, required to be audited under the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), at a Cost Audit fees of ₹85,000/- (Rupees eighty five thousand only) plus out of pocket expenses.

In accordance with the provisions of section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the Cost Audit fees to be paid to the Cost Auditors of the Company has to be approved by the shareholders of the Company. Accordingly, the members are requested to approve the remuneration of the Cost Auditors for the financial year 2020-21 as set out in the resolution for the aforesaid services to be rendered by him.

None of the Directors and Key Managerial Personnel of the Company and their relatives may be deemed to be concerned or interested in the proposed resolution.

The Board recommends the Ordinary resolution set forth in Item no. 5 of the Notice for the approval of the members.

Item No. 6

The Members at their Annual General Meeting held on July 25, 2015 re-appointed Mr. Desh Deepak Khetrapal (DIN 02362633) as Managing Director & CEO ("MD & CEO") of the Company for a period of 5 years w.e.f. 1st April, 2015, subject to revision in his remuneration every year. Further, on the recommendation of the Nomination & Remuneration cum Compensation Committee of the Company, the Board of Directors in their meeting held on March 23, 2020 has recommended the re-appointment of Mr. Desh Deepak Khetrapal for another period of two years, i.e. from April 1, 2020 upto March 31, 2022 and in their meeting held on April 27, 2020 has recommended payment of remuneration for the financial year 2020-21, subject to the approval by the members of the Company and such other consents and approvals that may be required.

Pursuant to the Notification no. S.O.2922(E) dated September 12, 2016 issued by the Ministry of Corporate Affairs ("Notification"), the Company with the approval of members by passing special resolution can pay the remuneration to the MD & CEO in case it has no profit or inadequacy of profit, without the approval of Central Government if, the managerial person is:-

- (i) not having any interest in the capital of the company or its holding company or any of its subsidiaries directly or indirectly or through any other statutory structures and not having any direct or indirect interest; or
- (ii) not related to the directors or promoters of the company or its holding company or any of its subsidiaries at any time during the last two years before or on or after the date of appointment and possesses graduate level qualification with expertise and specialized knowledge in the field in which the company operates.

Mr. Khetrapal fulfills the conditions mentioned in the aforesaid Notification.

Mr. Khetrapal is a professional and he holds Honours Degree in Business & Economics and Masters Degree in Business Administration in Marketing & Finance from the Delhi University.

The information as required by second provision of Paragraph B of Section-II of Part-II of Schedule V of the Companies Act, 2013, is given below:-

I. GENERAL INFORMATION:
(1) Nature of industry

The Company is primarily engaged in the manufacture and sale of cement and its manufacturing facilities at present are located at Devapur in Telangana, Chittapur in Karnataka and Jalgaon in Maharashtra.

(2) Date or expected date of commencement of commercial production

Devapur – 16th September , 1982

Jalgaon – 28th November, 2000

Chittapur- 26th September, 2015

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not applicable

(4) Financial performance based on given indicators

Particulars	(₹ in crores)		
	2019-20	2018-19	2017-18
Revenue from operations	2,421.80	2,522.17	2,310.85
Earnings before interest, depreciation, amortisation & taxation	400.59	326.01	325.41
Net Profit before taxation	137.40	74.79	70.03
Net profit	86.59	47.55	44.22
Dividend on equity shares	15.37	15.37	10.24
EPS	4.23	2.32	2.16

(5) Foreign investments or collaborations, if any.

NIL

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details

Mr. Khetrpal, aged 64, holds Honours Degree in Business & Economics and Masters Degree in Business Administration in Marketing & Finance from the Delhi University. He has vast work experience in service, industrial, consumer and retail businesses.

Before joining Orient Cement Limited, Mr. Khetrpal was the Group Chief Executive Officer of Jumbo Group of Companies. He has also worked with Raymond Limited as Chief Operating Officer.

(2) Past remuneration (p.a.)

Particulars	(Amount in ₹)		
	2019-20	2018-19	2017-18
Salary	3,60,00,000	3,12,00,000	2,58,24,000
Allowance and Perquisites:			
Personal allowance/ Pay	1,92,00,000	1,62,00,000	1,29,60,000
Special allowance/ Pay	1,89,33,840	1,63,07,832	1,33,76,520
Medical allowance	1,20,000	1,20,000	1,00,000
LTA	30,00,000	26,00,000	21,52,000
Performance variable pay	1,75,95,000	1,62,00,000	1,50,00,000
Company leased accommodation/ House rent allowance	48,00,000	48,00,000	48,00,000
Leave Encashment	7,80,000	9,32,533	8,68,000
Total	10,04,28,840	8,83,60,365	7,50,80,520

In addition to the above, the MD & CEO was:

- (i) Provided Company's car (fully maintained and chauffeur driven) for official use.
- (ii) Entitled to the shares of the Company in accordance with the Employees Stock Option Scheme as adopted by the Company.
- (iii) Entitled for contribution to Provident Fund, Gratuity and Superannuation Fund as per the Rules of the Company.
- (iv) Entitled for encashment of un-availed leave at the end of the tenure or at specified intervals as per the Rules of the Company.

(3) Recognition or awards

Under the dynamic leadership of Mr. Desh Deepak Khetrpal as MD & CEO, the Company was awarded several prestigious awards including the following awards to name a few during the financial year 2019-20:

Devapur Plant:

- 1) Birla.A1 Premium Cement (PPC) awarded with the 'GreenPro Certification' by CII - Green Products and Services Council at the 15th Green CemenTech – 2019 held in Hyderabad on 30th May 2019.
- 2) "EXCELLENCE IN ENERGY MANAGEMENT 2019" award as Energy Efficiency Unit by CII received at Hyderabad on 18th Sep 2019 during 20th National Award function.
- 3) AWARDS received from Apex India Foundation for 2019 in Cement Sector on 24th Sep 2019 at Goa.
 - "PLATINUM AWARD" for Energy Efficiency
 - "PLATINUM AWARD" for Environment Excellence
 - "GOLD AWARD" for Occupational Health & Safety

- 4) SEEM NATIONAL ENERGY MANAGEMENT PLATINUM AWARD - 2019 received from Society of Energy Engineers & Managers (SEEM) at New Delhi on 26th Sep, 2019.
- 5) Winner in Cement Sector with "Greentech Safety Award 2019" from Greentech Foundation for outstanding achievements in Safety Management received on 8th Dec, 2019 at New Delhi.

Chittapur Plant:

- 1) Unnatha Suraksha Puraskara from National Safety Council, Karnataka Chapter on 9th Sep, 2019.
- 2) Apex India Occupational Health and Safety Platinum Award on 25th Sep, 2019.
- 3) Greentech Safety Award on 8th Dec, 2019.
- 4) Apex India Environment Excellence Gold Award on 25th Sep, 2019.
- 5) National Energy Management Award from CII on 18th Sep, 2019.
- 6) Apex India Energy Efficiency Platinum Award on 25th Sep, 2019.
- 7) SEEM National Energy Management Award on 26th Sep, 2019.
- 8) International Safety Award - RoSPA 2020 Silver Award from "Royal Society for the prevention of accident" (This will be presented to us on 8th Sep, 2020 at London UK).

Jalgaon Plant:

- 1) Green Tech Safety Award - Winner in Cement Sector received from Green Tech Foundation, New Delhi.
- 2) "Energy Efficient Unit" in 20th National Award for Excellence in Energy Management, CII, Maharashtra.

(4) Job profile and his suitability

Taking into consideration the size of the Company, the complex nature of its operations, and Mr. Khetrpal's broad functional and general management skills, his rich experience of over 42 years, the Board re-appointed Mr. Desh Deepak Khetrpal (DIN 02362633) as MD & CEO for another period of 2 years w.e.f. April 1, 2020, subject to revision in his remuneration every year.

Mr. Khetrpal, MD & CEO of the Company is the driving force behind the Company. Mr. Khetrpal is a man with a vision to create a business of excellence and is the inspiration for all, as he spearheads the Company's management and operations; strategizing and directing it through its next phase of growth. Mr. Khetrpal is a professional business leader with a track record of leading and transforming large and diversified organisations, across various industries including service, industrial, consumer and retail businesses.

(5) Remuneration proposed

As set out in the resolution proposed.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

The proposed remuneration is comparable considering the industry, size of the Company, the managerial position, the credentials and responsibilities of the MD & CEO.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Except the remuneration and perquisites as stated above, Mr. Desh Deepak Khetrpal has no direct or indirect pecuniary relationship with the Company or managerial personnel. Further, he does not hold any shares in the Company.

III. OTHER INFORMATION

(1) Reasons of loss or inadequate profits

The country's cement industry is witnessing increasing competition on account of the geographic concentration of cement plants, supply overhang and low levels of capacity utilization. Increased competition can create pressure on

margins, market share etc. Increase in the costs of raw material, power and fuel due to inflation or global price trends may impact profitability. Further, the Indian cement industry is labour-intensive; it is exposed to health and injury risks due to accidents or negligence. As a result of which there are likely to be losses or inadequate profits during his tenure of appointment.

Further, the ongoing impact of COVID 19 pandemic and the nationwide lockdown since 25th March 2020 is likely to affect the business of the Company and its operations in terms of demand, supply chain disruption and adverse liquidity. These events are likely to impact the overall performance of the Company during the financial year 2020-21.

(2) Steps taken or proposed to be taken for improvement

- (a) The Company is leveraging its expertise and experience, investing continuously in enhancing the equity of its Birla A1 brand by focusing on quality, cost, timely delivery, customer service, advertising and brand promotion. The Company is investing in marketing and promotions to sustain brand equity in its areas of operation, strengthen brand salience in new markets and enhance its competitiveness.
- (b) The Company is employing various means to reduce the impact of rising costs through better fuel sourcing processes, dynamic fuel mix capabilities to capitalise on emerging price trends and the use of alternative fuels.
- (c) As regards labour problems, the Company has implemented various measures which include the development and implementation of critical safety standards across units and project sites, establishment of processes for safety training across levels, promotion of a safety culture for staff members, and contract workers with appropriate insurance coverage.
- (d) Taking into consideration the unprecedented level of uncertainty in current scenario and its impact on operations, the Company has decided to adopt a strategy of preserving cash to appropriately deal with unpredictable emergent events. Among several cost management measures adopted by the Company, it has also reduced the remuneration payable to its Key Managerial Personnel and Senior Management Personnel with effect from April 1, 2020, till the business conditions stabilise.

(3) Expected increase in productivity and profits in measurable terms

The renewed push by the government in various construction and infrastructure initiatives, augurs well for the sector in the years ahead. It is expected that given the outlook for cement demand, the Company will witness robust growth led by demand recovery. Existing plants in Jalgaon, Devapur and Chittapur are expected to gain from price improvement across the markets. With the expected demand recovery and the Company being one of the low cost cement producers, it is expected that the profitability in the coming year is likely to improve.

All relevant documents are available for inspection on the website of the Company, www.orientcement.com upto date of the Annual General Meeting.

Mr. Khetrpal is a non-executive Director of HIL Limited and Orient Electric Limited. Mr. Khetrpal along with his relatives does not hold any shares in the Company nor has any relationship with any of the Directors of the Company. Mr. Khetrpal has been granted 8,31,900 stock options convertible into equivalent number of equity shares of the Company in terms of the Employees Stock Option Scheme 2015.

Mr. Khetrpal is directly concerned and interested in this resolution, as it relates to his remuneration. Except Mr. Khetrpal, no other Director or Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the proposed resolution.

The Board recommends the Special Resolution set forth in Item no. 6 of the Notice for the approval of the members.

Details of Directors seeking appointment and re-appointment at the Annual General Meeting pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings

Particulars	Mr. Swapan Dasgupta	Mr. Desh Deepak Khetrapal	Mrs. Amita Birla
DIN	07113693	02362633	00837718
Age	64 years	64 years	63 years
Qualifications	Ph.D from the School of Oriental & African Studies (London) and a former Fellow of Nuffield College, Oxford	Honours Degree in Business & Economics and Masters Degree in Business Administration in Marketing & Finance from the Delhi University	GCE-A Level
Experience	45 years	42 years	39 years
Terms and conditions of appointment/ re-appointment	Re-appointment as an Independent Director	Re-appointment as Managing Director & CEO	Re-appointment upon retirement by rotation.
Date of first appointment on the Board	August 4, 2015	April 2, 2012	March 27, 2015
Occupation	Writer, broadcaster, public policy analyst and Member of Parliament	Managing Director & CEO	Industrialist
Expertise in specific functional areas	Writing and public policy analysing	Marketing, Finance and Business Administration	Expertise in Management and Operation of diverse nature of business
Directorships held in other listed entities in India	NIL	1. HIL Limited 2. Orient Electric Limited	1. Birlasoft Limited
Memberships/ Chairmanships of Committees of Board in listed entities in India	1. Orient Cement Limited – • Audit Committee-Member • Stakeholders' Relationship Committee –Member • Nomination and Remuneration cum Compensation Committee –Member • Risk Management Committee – Member	1. HIL Limited • Audit Committee-Member • Nomination & Remuneration Committee – Member • Corporate Social Responsibility Committee –Chairman • Risk Management Committee- Member 2. Orient Electric Limited • Audit Committee-Member • Nomination & Remuneration Committee – Member • Corporate Social Responsibility Committee –Member • Risk Management Committee – Member	1. Birlasoft Limited • Nomination & Remuneration Committee – Member • Corporate Social Responsibility Committee-Chairman

Particulars	Mrs. Amita Birla	Mr. Desh Deepak Khetrapal	Mr. Swapan Dasgupta
		3. Orient Cement Limited <ul style="list-style-type: none"> • Audit Committee-Member • Stakeholders' Relationship Committee – Member • Corporate Social Responsibility Committee –Member • Risk Management Committee – Member 	
Shareholding in the Company	3,88,000 No. of Shares (as on March 31, 2020)	Nil	Nil
Number of Board Meetings attended during the year 2019-20	3 out of 5 meetings	All the 5 meetings	All the 5 meetings

Directors' Report

Dear members

Your directors are pleased to present the 9th Annual Report on the business and operations of the Company along with the audited financial statements for the financial year ended March 31, 2020.

SUMMARY OF FINANCIAL PERFORMANCE

The financial performance of the Company for the financial year ended March 31, 2020 is summarised below:

(₹ in Crore)

Particulars	2019-20	2018-19
Revenue from Operations	2,421.80	2,522.17
Earnings before interest, depreciation, amortisation & taxation	400.59	326.01
Interest / finance costs	122.32	118.50
Profit before depreciation and taxation	278.27	207.51
Depreciation and amortization expenses	140.87	132.72
Profit before taxation	137.40	74.79
Taxation	50.81	27.24
Net profit	86.59	47.55
Transferred from Employee Stock Options Outstanding	1.83	-
Profit brought forward from last year	307.68	279.35
Profit available for appropriations	396.10	326.90
Appropriations		
Other Comprehensive Income	(1.94)	(0.69)
Dividend on equity shares	15.37	15.37
Corporate dividend tax	3.16	3.16
Balance carried to balance sheet	375.63	307.68
EPS	4.23	2.32

BUSINESS AND FINANCIAL PERFORMANCE

Financial Year 2019-20 was a challenging year for the cement industry. The industry experienced a degrowth of 1% vs a 12% growth last year. The degrowth in the Company's relevant markets were much higher, impacted by State Government elections in Maharashtra, extended monsoon and lower investments in irrigation projects by the State Governments. The lockdown imposed by the Government towards the end of March 2020 in the wake of COVID-19 pandemic further impacted volumes and top line. Despite these challenges, the Company has managed to limit the impact on sales and achieve higher profitability.

A focus on premiumisation strategies adopted by the Company, improved fuel mix, effective cost control measures both on fixed and variable costs and better

cement price realisation during the year has contributed to improved profitability.

The key business and financial highlights of your Company are as under:

- Total sales volume for the year stood at 58 lac tons against 64 lac tons in FY19, a degrowth of around 9%.
- We continue to focus on PPC cement production in line with your Company's commitment to environmental sustainability. Total PPC sale was 57% for the year.
- Net Sales realization for the year was ₹4,167 per ton as against ₹3,925 during last year.
- The overall capacity utilization stood at 73% for the year.
- Despite the decline in sales volume, EBITDA for the year

was ₹400.59 crore as against ₹326.01 crore during last year, a ~23% increase.

- Net profit for the year ₹86.59 crore as compared to Net profit ₹47.55 crore during last year, an increase of ~82%.

The Company is actively pursuing digitisation and data-analytics initiatives across operations to further strengthen performance and drive monetization of efficiency improvements.

DIVIDEND

Your Directors are pleased to recommend a final dividend amounting to ₹0.75/- (75%) per equity share of face value of ₹1/- each for the year ended March 31, 2020, subject to approval of shareholders at the forthcoming Annual General Meeting of the Company as against dividend of ₹0.75/- (75%) per equity share paid in the immediately preceding year.

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 25, 2020 to Friday, July 31, 2020, both days inclusive, for determining the entitlement of the shareholders to the final dividend for financial year 2019-20.

BOARD OF DIRECTORS, ITS COMMITTEES AND MEETINGS THEREOF

The Company has a professional Board with an optimum combination of executive, non-executive and independent directors (including two women directors one of whom is independent) who bring to the table the right mix of knowledge, skills and expertise. The Board provides strategic guidance and direction to the Company in achieving its business objectives and protecting the interest of the stakeholders. The Board is also supported by five Committees of Directors viz. the Audit Committee, the Nomination & Remuneration cum Compensation Committee, the Corporate Social Responsibility Committee, the Stakeholders' Relationship Committee and the Risk Management Committee.

One meeting of the Board of Directors is held in each quarter. Additional meetings of the Board/Committees are convened as may be necessary for the proper management of the business operations of the Company. A separate meeting of independent directors is also held at least once in a calendar year to review the performance of non-independent directors, the Board as a whole and the Chairman.

During the financial year ended March 31, 2020, the Board of Directors met 5 (five) times viz. on April 29, 2019, July 29, 2019, October 21, 2019, January 29, 2020 and

March 23, 2020. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A detailed update on the Board and its Committees' composition, number of meetings held during the financial year 2019-20 and attendance of the directors at these meetings is provided in the Report on Corporate Governance.

CHANGES IN DIRECTORS

In terms of the provisions of section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mrs. Amita Birla (DIN 00837718), a non-executive director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers herself for re-appointment. The Board of Directors recommends the resolution for re-appointment of Mrs. Amita Birla for the approval of the members of the Company at the ensuing Annual General Meeting.

During the year 2019-20, on the recommendation of the Nomination & Remuneration cum Compensation Committee, the Board of Directors in their meeting held on March 23, 2020, approved the re-appointment of Mr. Desh Deepak Khetrpal (DIN 02362633) as the Managing Director & CEO of the Company w.e.f. April 1, 2020 for a period of 2 (two) years subject to approval of shareholders at the forthcoming Annual General Meeting. The resolution seeking consideration of Mr. Khetrpal's re-appointment and payment of remuneration for the financial year 2020-21 has been included in the Notice of the Annual General Meeting. The Board of Directors recommends the resolution for your approval.

Mr. Swapan Dasgupta was appointed as an Independent Director of the Company with effect from August 4, 2015 and in terms of the provisions of section 149(10) of the Companies Act, 2013, his first term of five consecutive years is expiring on August 3, 2020. In terms of the provisions of section 149(10), Mr. Swapan Dasgupta is eligible for re-appointment as an Independent Director for another term of five years by passing special resolution in this regard. The resolution for re-appointment of Mr. Swapan Dasgupta, as an Independent Director, not liable to retire by rotation, has been included in the Notice of the Annual General Meeting. The Board of Directors recommend the resolution for your approval.

A brief profile and other details relating to the Directors are furnished in the Annual Report.

None of the directors are disqualified under section 164(2) of the Companies Act, 2013.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors of the Company have declared and confirmed that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Sushil Gupta, Chief Financial Officer (FCA-044924) resigned from the services of the Company with effect from January 29, 2020 and Mr. Soumitra Bhattacharyya (FCA- A059004) was appointed as the Chief Financial Officer of the Company with effect from January 29, 2020.

In addition, in terms of the provisions of section 203 of the Companies Act, 2013, Mr. Desh Deepak Khetrapal - Managing Director & CEO (DIN 02362633) and Mrs. Nidhi Bisaria - Company Secretary (FCS-5634) continue to hold their respective offices during the financial year 2019-20 as Key Managerial Personnel.

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has formulated a vigil mechanism through a Whistle Blower Policy to deal with instances of illegal practices, unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

Adequate safeguards are provided against victimization to those who avail of the mechanism. The details of the Whistle Blower Policy are explained in the Corporate Governance Report. The Whistle Blower Policy is available on Company's website and can be accessed through the web link: <http://orientcement.com/investors/>.

AUDIT COMMITTEE

The Company has a duly constituted Audit Committee in line with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The primary objective of the Committee is to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest level of transparency, integrity and quality of financial reporting. The Committee met four (4) times during the year. Detailed information pertaining to the Audit Committee has been provided in the Report on Corporate Governance.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company endeavors to have an appropriate mix of executive, non-executive and independent directors, so as to have independence on the Board and separate its function of governance from that of management. The selection and appointments on the Board of the Company are done on the recommendations of the Nomination & Remuneration cum Compensation Committee. The appointments are based on meritocracy and the candidates are considered against objective criteria, having due regard to the benefits of diversity on the Board. While evaluating the candidature of an independent director, the Committee abides by the criteria for determining independence as stipulated under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In case of re-appointment of directors, the Board takes into consideration the results of the performance evaluation of the directors.

The copy of the Nomination & Remuneration Policy for Directors, KMPs and Senior Management is attached as **Annexure 'I'** to the Corporate Governance Report.

AWARDS AND RECOGNITIONS

In recognition of its constant quest for growth and achievement, your Company has been honoured and recognised at various forums. The prominent awards are listed below for your reference:

Devapur Plant:

- 1) Birla.A1 Premium Cement (PPC) awarded with the 'GreenPro Certification' by CII - Green Products and Services Council at the 15th Green CemenTech - 2019 held in Hyderabad on 30th May 2019.
- 2) "EXCELLENCE IN ENERGY MANAGEMENT 2019" award as Energy Efficiency Unit by CII received at Hyderabad on 18th Sep 2019 during 20th National Award function.
- 3) AWARDS received from Apex India Foundation for 2019 in Cement Sector on 24th Sep 2019 at Goa.
 - "PLATINUM AWARD" for Energy Efficiency
 - "PLATINUM AWARD" for Environment Excellence
 - "GOLD AWARD" for Occupational Health & Safety
- 4) SEEM NATIONAL ENERGY MANAGEMENT PLATINUM AWARD - 2019 received from Society of Energy Engineers & Managers (SEEM) at New Delhi on 26th Sep 2019.
- 5) Winner in Cement Sector with "Greentech Safety Award 2019" from Greentech Foundation for outstanding

achievements in Safety Management received on 8th Dec 2019 at New Delhi.

Chittapur Plant:

- 1) Unnatha Suraksha Puraskara from National Safety Council, Karnataka Chapter on 9th Sep, 2019.
- 2) Apex India Occupational Health and Safety Platinum Award on 25th Sep, 2019
- 3) Greentech Safety Award on 8th Dec, 2019
- 4) Apex India Environment Excellence Gold Award on 25th Sep, 2019.
- 5) National Energy Management Award from CII on 18th Sep, 2019.
- 6) Apex India Energy Efficiency Platinum Award on 25th Sep, 2019.
- 7) SEEM National Energy Management Award on 26th Sep, 2019.
- 8) International Safety Award - RoSPA 2020 Silver Award from "Royal Society for the prevention of accident" (This will be presented to us on 8th Sep, 2020 at London UK).

Jalgaon Plant:

- 1) Green Tech Safety Award - Winner in Cement Sector received from Green Tech Foundation, New Delhi.
- 2) "Energy Efficient Unit" in 20th National Award for Excellence in Energy Management, CII, Maharashtra.

STATUTORY AUDITORS

M/s S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 301003E/ E300005) was appointed as Statutory Auditors of the Company by the shareholders at the Annual General Meeting held on August 1, 2019 to hold office as Statutory Auditors for the balance term of two years from the conclusion of eighth Annual General Meeting of the Company held in the year 2019 till the conclusion of tenth Annual General Meeting of the Company to be held in the year 2021.

Auditors' Report is self-explanatory and therefore, does not require further comments and explanation.

Further, in terms of section 143 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, notifications / circulars issued by the Ministry of Corporate Affairs from time to time, no fraud has been reported by the Auditors of the Company where they have reason to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company.

COST AUDITORS

In terms of the section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain Cost Accounting records and get them audited every year. The Board appointed Mr. Somnath Mukherjee, Cost Accountant (M.No.-F5343), as Cost Auditors of the Company for the financial year 2020-21 at a fee of ₹85,000/- (Rupees eighty five thousand only) plus out of pocket expenses subject to the ratification of the said fees by the shareholders at the ensuing Annual General Meeting.

The Company has received a letter from him to the effect that his re-appointment would be within the limits prescribed under section 141(3)(g) of the Companies Act, 2013 and that he is not disqualified for such re-appointment within the meaning of section 141 of the Companies Act, 2013.

SECRETARIAL AUDITORS

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Ranjeet Pandey and Associates, Company Secretaries (Registration No. F-5922), were appointed to conduct the Secretarial Audit of the Company for the financial year 2019-20.

The Secretarial Audit Report is annexed to this report as **Annexure '1'**. The Secretarial Auditor's report is self-explanatory and therefore, does not require further comments and explanation.

The Board has re-appointed M/s Ranjeet Pandey and Associates, Company Secretaries, (Registration No. F-5922), as Secretarial Auditor of the Company for the financial year 2020-21.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the financial year under review, your Company has not given any loan or guarantee, made investment and provided security which are covered under the provisions of section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

The Company has adequate procedures for identification and monitoring of related party transactions. All transactions entered into with related parties during the financial year were at arm's length basis. All related party transactions were placed before the Audit Committee and to the Board for approval, wherever required. Prior omnibus approval of the Audit Committee and Board was obtained for the

transactions that were of a foreseen and repetitive nature. These transactions were reviewed by the Audit Committee on a quarterly basis.

There were no materially significant related party transactions made by the Company with promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

For details on related party transactions, members may refer to the notes to the financial statements. The Policy on related party transactions as approved by the Board is available on the Company's website and can be accessed through the web link: <http://orientcement.com/investors/>.

Particulars of contract or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is annexed as **Annexure '2'** to the Report.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company during the year under review.

RISK MANAGEMENT

The Company has constituted a Risk Management Committee of the Board to review the risk management plan / process of the Company. The Risk Management Committee identifies potential risks, assesses their potential impact and takes timely action to mitigate the same.

The Company has a Risk Management Policy which has been approved by the Board. The Risk Management Policy acts as an overarching statement of intent and establishes the guiding principles by which key risks are managed across the organization. The Board monitors and reviews periodically the implementation of various aspects of the Risk Management Policy through a duly constituted Risk Management Committee (RMC). The RMC assists the Board in its oversight of the Company's management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks under the aegis of the overall Business Risk Management Framework.

There are no risks identified by the Board which may threaten the existence of the Company.

INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

As per the provisions of section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility

for ensuring that the Company has implemented robust systems/ framework of internal financial controls to provide them with reasonable assurance regarding the adequacy and operating effectiveness of controls with regard to reporting, operational and compliance risks. To enable the Directors to meet these responsibilities, the management has devised systems/ frameworks which are operating within the Company. In line with best practice, the Audit Committee and Board regularly review the internal control system to ensure that it remains effective and fit for the purpose. Where weaknesses are identified as a result of the reviews, new procedures are put in place to strengthen controls and these are in turn reviewed at regular intervals. The systems/ frameworks include proper delegation of authority, policies and procedures, effective IT systems aligned to business requirements, internal audit framework, ethics framework, risk management framework and adequate segregation of duties.

Your Company's management has established and maintained internal financial controls based on the internal control over financial reporting criteria established in the integrated framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (2013 Framework) (the COSO criteria), which considers the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Based on information provided, nothing has come to the attention of Directors to indicate that any material breakdown in the function of these controls, procedures or systems occurred during the year under review.

The Internal Auditor of the Company reports functionally to Audit Committee of Board, which reviews and approves risk based annual internal audit plan. Audit Committee periodically reviews the performance of internal audit function.

CORPORATE SOCIAL RESPONSIBILITY

The basic concept of Company's CSR is to serve the interest of society in a just and equitable manner along with taking the responsibility for the impact of business activities on various stakeholders in all aspects of Company's operations. Your Company has been taking several initiatives under Corporate Social Responsibility ('CSR') for the society at large, well before it was prescribed through the Companies Act, 2013.

The Board has constituted a CSR Committee and has a well-defined Policy on CSR as per the requirement of section 135

of the Companies Act, 2013 which covers the activities as prescribed under Schedule VII of the Companies Act, 2013. Detailed information pertaining to the CSR Committee has been provided in the Report on Corporate Governance.

The CSR Policy laid down by the Company ensures that:

1. The CSR agenda is integrated with the business;
2. Focused efforts are made in the identified community development areas to achieve the desired benefits;
3. The Company contributes towards nation-building through its CSR activities.

As part of its initiatives under CSR, the Company has contributed towards healthcare, infrastructure development and education during the year under review.

Corporate Social Responsibility Report, pursuant to section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, forms part of this Report as **Annexure '3'**.

The CSR Policy of the Company is placed on the website of the Company and can be accessed through the web link: <http://orientcement.com/investors/>.

PARTICULARS OF EMPLOYEES, DIRECTORS AND KEY MANAGERIAL PERSONNEL

The information required pursuant to section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure '4'** forming an integral part of this Report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of employees and other particulars of the top ten employees and employees drawing remuneration in excess of the limits as provided in the said rules are set out in the Directors' Report as an addendum thereto. However, in terms of provisions of the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report is being sent to the members of the Company excluding the aforesaid information. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

SHARE CAPITAL

During the year under review, the Issued, Subscribed and

Paid up Share Capital of the Company was 20,48,68,760 shares of ₹1/- each. There was no change in the capital structure of the Company.

EXTRACT OF THE ANNUAL RETURN

Pursuant to section 134(3)(a) and section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, relevant extract of annual return for the financial year 2019-20 is given as **Annexure '5'** to this Report and can be accessed through the web link <http://orientcement.com/investors/>.

EMPLOYEES STOCK OPTION SCHEME

The Company has in place the Employees Stock Option Scheme 2015 ('ESOS-2015') which provides for grant of Stock Options to eligible employees of the Company.

During the financial year 2019-20, no options were granted under ESOS-2015. The applicable disclosures under SEBI (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations") as at March 31, 2020 has been uploaded on the website of the Company and can be accessed through the web link <http://orientcement.com/investors/>. There is no change in the ESOS scheme of the Company during the financial year.

Certificate from M/s S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 301003E/E300005), Statutory Auditors of the Company confirming that the scheme has been implemented in accordance with the SEBI Regulations, would be placed at the ensuing Annual General Meeting of the Company for inspection by the members.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment.

As per the provisions of section 21 and 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the report on the details of the number of cases filed under Sexual Harassment and their

disposal, during the calendar year 2019 is as under:

Number of cases pending as on the beginning of the calendar year	Nil
Number of complaints filed during the calendar year	Nil
Number of cases pending as on the end of the calendar year	Nil

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required by Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed Management Discussion and Analysis Report is presented in a separate section forming part of the Annual report.

CORPORATE GOVERNANCE

Corporate Governance ensures fairness, transparency and integrity of the management. As a part of its strategy, the Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The Board considers itself a trustee of the Company's shareholders and acknowledges its responsibilities towards them for creating and safeguarding their wealth. The Company is committed to high levels of ethics and integrity in all its business dealings that avoids conflicts of interest. In order to conduct business with these principles, the Company has created a corporate structure based on business needs and maintains a high degree of transparency through regular disclosures with a focus on adequate control systems.

A detailed report on Corporate Governance forms an integral part of Annual Report and is set out as separate section therein.

The certificate of M/s S.R. Batliboi & Co. LLP (ICAI Firm Registration Number 301003E/ E300005), Chartered Accountants, the Statutory Auditors of the Company certifying compliance with the conditions of corporate governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with the Report on Corporate Governance. The Auditors' certificate for financial year 2019-20 does not contain any qualification, reservation or adverse remark.

PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

A formal evaluation of the performance of the Board, its Committees, the Chairman and the individual directors was carried out for the financial year 2019-20. The performance

evaluation was done using individual questionnaires, covering amongst others, composition of Board, receipt of regular inputs and information, functioning, performance and structure of Board Committees, skill set, knowledge and expertise of directors, preparation and contribution at Board meetings, leadership, etc. The performance evaluation of the respective Committees and that of independent and non-independent directors was done by the Board excluding the director being evaluated.

The performance evaluation of non-independent directors, the Chairman and the Board was done by the independent directors.

LISTING WITH STOCK EXCHANGES

The Equity Shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. The annual listing fees for the financial year 2020-21 have been paid to these exchanges.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(3)(c) of the Companies Act, 2013, the Board of Directors hereby state that:

1. In the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2020 and of the profit and loss of the Company for the year ended on that date;
3. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. They have prepared the annual financial statements on a going concern basis;
5. They have laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and were operating effectively.
6. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company have occurred between

the end of the financial year of the Company to which the financial statements relate and till the date of this Report.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company values the significance of conservation of energy and technology absorption and remains conscious about the environment impact of its business operations. During the financial year, the Company undertook a variety of energy conservation measures across all its plants, making continuous efforts for judicious use of energy at all levels of operations by utilizing energy efficient system and processes. Some steps taken towards energy conservation are the result of technology absorption. Our integrated cement manufacturing unit at Chittapur has been equipped with new state of the art technology and latest energy efficient equipment.

The particulars required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption are enclosed as **Annexure '6'** forming part of this Report.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the financial year, the Company has not earned any foreign exchange.

The total foreign exchange outgo during the year was ₹78.05 crore.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the financial year 2019-20, the Company had no Subsidiary, Associate or Joint Venture company.

DEPOSITS

During the financial year under review, the Company did not accept deposits covered under Chapter V of the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS

No significant and material orders have been passed by any regulator or court or tribunal against the Company impacting the going concern status and Company's operations in future.

BUSINESS RESPONSIBILITY REPORT

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report is presented in a separate section

forming part of the Annual report.

DIVIDEND DISTRIBUTION POLICY

Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires top 500 listed Companies based on the market capitalization to formulate Dividend Distribution Policy. In compliance of the said requirement, the Company has formulated the Dividend Distribution Policy. The Dividend Distribution Policy of the Company is enclosed as **Annexure '7'** to this Report and is also placed on the website of the Company. This can be accessed through the web link: <http://orientcement.com/investors/>.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

OTHER STATUTORY DISCLOSURES

Your Directors state that no disclosure or reporting is required with respect to the following items as there were no transactions related to these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issues of sweat equity shares.
3. Provision of money for purchase of its own shares by employees or by trustees for the benefit of employees.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for assistance and co-operation received from various Ministries and Departments of Government of India and other State Governments, banks, shareholders of the Company etc. Your Directors wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that the Company continues to grow and excel.

**By order of the Board of Directors
For Orient Cement Limited**

**CK. Birla
Chairman
(DIN 00118473)**

**Place: New Delhi
Date: May 22, 2020**

ANNEXURE-1

Secretarial Audit Report

For the financial year ended on 31st March, 2020

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Orient Cement Limited,
Unit – VIII, Plot No. 7,
Bhoinagar, Bhubaneswar,
Odisha - 751012

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by “**Orient Cement Limited**” (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification, *to the extent possible due to lockdown announced by Government of India on account of COVID-19 pandemic*, of **Orient Cement Limited’s** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)

Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- v) As confirmed by the management, the following legislations specifically applicable to the Company, being Cement manufacturing Company:-
- a) The Atomic Energy Act, 1962 read with Atomic Energy (Radiation Protection) Rules, 2004;
 - b) Indian Boilers Act, 1923 read with Andhra Pradesh Boiler Rules, 1967;
 - c) The Petroleum Act, 1934;
 - d) The Explosive Rules, 2008;
 - e) The Static & Mobile Pressure Vessels (Unfired) Rules, 1981;
 - f) Cylinder Rules, 2004;
 - g) Ammonium Nitrate Rules, 2012;
 - h) Mines Act, 1952;
 - i) Cement (Quality Control) Order, 2003;
 - j) Limestone And Dolomite Mines Labour Welfare Fund Act, 1972;
 - k) Mines and Minerals (Development And Regulation) Act, 1957;
 - l) Mineral Conservation and Development Rules, 1988;
 - m) Metalliferous Mine Regulations, 2012;
 - n) The Explosives Act, 2008 read with rules made thereunder.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice has been given to all directors to schedule the Board Meetings including committee meetings during the financial year under review, agenda and detailed notes on agenda were sent properly before the scheduled meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

This report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.

All the decisions have been carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the financial year under review.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period, the Company has declared and paid dividend and necessary compliances of the Companies Act, 2013 were made.

**For Ranjeet Pandey & Associates
Company Secretaries**

Ranjeet Pandey

FCS- 5922, CP No.- 6087

UDIN: F005922B000268096

Place: New Delhi

Date: 22/05/2020

Annexure-A

To,
The Members,
Orient Cement Limited,
Unit – VIII, Plot No. 7,
Bhoinagar, Bhubaneswar,
Odisha - 751012

Our report of even date is to be read along with this letter:

1. Management of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and

regulations and happening of the events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have tried to verify the physical records, *to the extent possible*, for the period starting from 1st January, 2020 till 31st March, 2020 in order to verify the compliances, however, reliance was also placed on electronic records for verification due to lockdown announced by Government of India on account of COVID-19 pandemic.

**For Ranjeet Pandey & Associates
Company Secretaries**

Ranjeet Pandey

FCS- 5922, CP No.- 6087

UDIN: F005922B000268096

Place: New Delhi

Date: 22/05/2020

ANNEXURE-2**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS - NIL

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts / arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) Date(s) of approval by the Board
- (g) Amount paid as advances, if any
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS - NIL

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts / arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Date(s) of approval by the Board, if any
- (f) Amount paid as advances, if any

By order of the Board of Directors
For Orient Cement Limited

CK. Birla
Chairman
(DIN 00118473)

Place: New Delhi
Date: May 22, 2020

ANNEXURE-3

Annual Report on Corporate Social Responsibility (CSR) activities

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMS:

The Company's CSR Policy framework details the mechanisms for undertaking various projects/ programmes in accordance with Section 135 of the Companies Act, 2013 for the benefit of the community. The Company primarily focuses on education, healthcare, rural development and infrastructure development.

CSR Policy is stated on Company's website and can be accessed through the weblink: <http://orientcement.com/investors>.

THE COMPOSITION OF THE CSR COMMITTEE

1. Mr. Janat Shah - Chairman
2. Mr. Desh Deepak Khetrapal - Member
3. Mr. Rabindranath Jhunjhunwala -Member
4. Mr. I. Y.R. Krishna Rao - Member

The Company Secretary of the Company acts as the Secretary to the Committee.

AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS:

₹2546 lacs

PRESCRIBED CSR EXPENDITURE (TWO PER CENT OF THE AVERAGE NET PROFIT):

The Company was required to spend ₹50.92 lacs towards CSR during the financial year 2019-20.

DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR 2019-20.

(a) Total amount spent for the financial year 2019-20: ₹495.14 lacs (including provision of gratuity ₹25.26 lacs)

(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (₹in lacs)	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (₹in lacs)	Cumulative expenditure up to the reporting period (₹in lacs)	Amount spent: Direct or through implementing agency
1.	School Infrastructure/ Expenses	Education	Devapur, Dist. Adilabad, State- Telangana	382.00	349.06*	349.06	Direct
			Nashiarabad, Dist. Jalgaon, State – Maharashtra	5.00	2.48	2.48	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (₹in lacs)	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads (₹in lacs)	Cumulative expenditure up to the reporting period (₹in lacs)	Amount spent: Direct or through implementing agency
2.	Running of Medical Dispensary and organizing Medical Camps	Healthcare	Devapur, Dist. Adilabad, State- Telangana	104.00	87.91	87.91	Direct
3.	Other Projects						
i.	Grant to Vanvasi Kalyan Parishad	Hunger, poverty and malnutrition		2.00	1.74	1.74	Direct
ii.	Maintenance of Sulabh Complex	Sanitation		3.00	2.22	2.22	Direct
iii.	Construction & Painting at dhyan kendra		Devapur, Dist. Adilabad, State- Telangana	12.00	10.31	10.31	Direct
iv.	Construction of water Harvesting pits			5.00	3.34	3.34	Direct
v.	Road repair, Pathway, furniture and Other	Promotion and development		12.00	11.42	11.42	Direct
vi.	Construction of Community Hall		Nashiarabad, Dist. Jalgaon, State – Maharashtra	20.00	1.40	1.40	Direct
TOTAL				545.00	469.88	469.88	

*Excluding provision of gratuity ₹25.26 lacs related to school staff as per actuarial valuation report.

The Company has always taken up social and community development initiatives at its establishments and project sites and has been contributing in the areas of education, healthcare and rural development. Apart from the above expenditure, the Company has also spent ₹466.09 lacs on projects related to building rural infrastructure and community development programs which are not covered under section 135 of the Companies Act, 2013.

OUR CSR RESPONSIBILITIES

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of the projects and activities in compliance with our CSR objectives.

Date: May 22, 2020

Janat Shah
Chairman of CSR Committee
(DIN 0162535)
Place: Udaipur

D. D. Khetrapal
Managing Director & CEO
(DIN 02362633)
Place: New Delhi

ANNEXURE-4

Details pertaining to remuneration

As required under section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20:-

S. No.	Name of the Director/ KMP and Designation	Ratio of remuneration of each Director/ to median remuneration of employees	% Increase/ (Decrease) in remuneration in the financial year 2019-20
1.	Mr. CK. Birla – Chairman	1.50	39%
2.	Mr. Desh Deepak Khetrpal - Managing Director & CEO	138.71	15%
3.	Mrs. Amita Birla - Director	1.50	39%
4.	Mr. Rabindranath Jhunjhunwala - Director	1.50	39%
5.	Mr. Rajeev Jhawar - Director	1.50	39%
6.	Mr. Janat Shah - Director	1.50	39%
7.	Mr. Swapan Dasgupta - Director	1.50	39%
8.	Mr. I. Y. R. Krishna Rao - Director	1.50	39%
9.	Mrs. Varsha Vasant Purandare – Director	1.50	Not applicable
10.	Mr. Sushil Gupta - Chief Financial Officer (resigned w.e.f. 29-1-2020)	Not Applicable	8%
11.	Mr. Soumitra Bhattacharyya- Chief Financial Officer (appointed w.e.f. 29-1-2020)	Not Applicable	Not Applicable
12.	Mrs. Nidhi Bisaria – Company Secretary	Not Applicable	18%

- (ii) In the financial year 2019-20, there was an increase of 9% in the median remuneration of employees.

- (iii) There were 897 management staff on the rolls of the Company as on March 31, 2020.

- (iv) Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 9.5%. Keeping in view the duties and responsibilities cast on the Managing Director & CEO and considering his knowledge of various aspects relating to the Company's affairs, the percentile increase in the managerial remuneration for the same financial year was 15%.

- (v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

**By order of the Board of Directors
For Orient Cement Limited**

Place: New Delhi
Date: May 22, 2020

CK. Birla
Chairman
(DIN 00118473)

ANNEXURE-5
Extract of Annual Return

as on the financial year ended on March 31, 2020

 [Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
 (Management and Administration) Rules, 2014]

Form No. MGT-9
I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L26940OR2011PLC013933
ii)	Registration Date	22 nd July, 2011
iii)	Name of the Company	Orient Cement Limited
iv)	Category / Sub-Category of the Company	Company having share capital
v)	Address of the Registered office and contact details	Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar, Odisha-751 012 Tel.: 0674-2396930, Fax No. 0674-2396364
vi)	Whether listed company	Yes
vii)	Name, address and contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited (<i>formerly Karyv Fintech Private Ltd.</i>) 6F-025, 6 th Floor, Selenium (Tower B), Gachibowli, Financial District, Nanakramguda, Hyderabad-500032 Tel.: 1800-3454-001 Email: einward.ris@kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company:

S. No.	Name and description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Cement & Clinker	Group: 239 Class: 2394 Sub-Class: 23941	99.90

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
The Company has no holding, subsidiary and associate company.					

IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)

i) Category-wise shareholding

Category of shareholders	No. of shares held at the beginning of the year 1-4-2019				No. of shares held at the end of the year 31-3-2020				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	69,63,250	-	69,63,250	3.40	69,63,250	-	69,63,250	3.40	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	6,95,86,672	-	6,95,86,672	33.97	6,95,86,672	-	6,95,86,672	33.97	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	7,65,49,922	-	7,65,49,922	37.37	7,65,49,922	-	7,65,49,922	37.37	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	7,65,49,922	-	7,65,49,922	37.37	7,65,49,922	-	7,65,49,922	37.37	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	4,69,64,219	2,000	4,69,66,219	22.93	4,67,42,030	2,000	4,67,44,030	22.82	(0.11)
b) Banks / FI	1,04,745	97,460	2,02,205	0.10	1,01,57,909	87,460	1,02,45,369	5.00	4.90
c) Central Govt./ State Govt.	-	-	-	-	-	-	-	-	-
d) Venture Capital Funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	88,29,078	-	88,29,078	4.31	-	-	-	-	(4.31)
f) FIs	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Others (specify) Foreign Portfolio Investors and Alternate Investment Funds	1,51,62,091	-	1,51,62,091	7.40	1,60,20,569	-	1,60,20,569	7.82	0.42
Sub-total (B)(1):-	7,10,60,133	99,460	7,11,59,593	34.73	7,29,20,508	89,460	7,30,09,968	35.64	0.91
2. Non-Institutions									
a) Bodies Corp.	76,81,919	3,43,970	80,25,889	3.92	46,88,617	3,31,290	50,19,907	2.45	(1.47)

Category of shareholders	No. of shares held at the beginning of the year 1-4-2019				No. of shares held at the end of the year 31-3-2020				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹2 lakh	1,77,22,731	7,97,285	1,85,20,016	9.04	1,86,37,084	7,82,965	1,94,20,049	9.48	(0.44)
ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	37,53,660	-	37,53,660	1.83	41,76,016	-	41,76,016	2.04	0.21
c) Others									
--NBFC's Registered with RBI	1,500	-	1,500	-	1,500	-	1,500	-	-
--Trust & Foundations	-	4,000	4,000	-	-	10,000	10,000	-	-
--Non-Resident Individual	14,28,340	-	14,28,340	0.70	11,55,698	-	11,55,698	0.56	(0.14)
--OCB	36,82,240	-	36,82,240	1.80	36,82,240	-	36,82,240	1.80	-
--Cooperative Societies	2,17,43,600	-	2,17,43,600	10.61	2,17,43,600	-	2,17,43,600	10.61	-
Sub-total (B)(2):-	5,60,13,990	11,45,255	5,71,59,245	27.90	5,41,84,615	11,24,255	5,53,08,870	26.99	(0.91)
Total Public Shareholding (B)=(B) (1)+ (B) (2)	12,70,74,123	12,44,715	12,83,18,838	62.63	12,71,05,123	12,13,715	12,83,18,838	62.63	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	20,36,24,045	12,44,715	20,48,68,760	100.00	20,36,55,045	12,13,715	20,48,68,760	100.00	-

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year 1-4-2019			Shareholding at the end of the year 31-3-2020			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	Central India Industries Limited	4,91,43,627	23.99	2.83	4,91,43,627	23.99	-	-
2	Shekhavati Investments and Traders Limited	1,23,20,865	6.01	-	1,23,20,865	6.01	6.01	-
3	Mr. Chandrakant Birla	31,53,570	1.54	-	31,53,570	1.54	-	-
4	Hindustan Discounting Company Limited	22,31,000	1.09	-	22,31,000	1.09	-	-
5	Gwalior Finance Corporation Limited	15,92,500	0.78	-	15,92,500	0.78	-	-
6	Amer Investments (Delhi) Limited	14,22,000	0.69	-	14,22,000	0.69	-	-
7	Universal Trading Company Limited	9,72,280	0.47	-	9,72,280	0.47	-	-

S. No.	Shareholder's Name	Shareholding at the beginning of the year 1-4-2019			Shareholding at the end of the year 31-3-2020			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
8	National Engineering Industries Limited	5,37,400	0.26	-	5,37,400	0.26	-	-
9	Rajasthan Industries Limited	5,04,000	0.25	-	5,04,000	0.25	-	-
10	Ashok Investment Corporation Limited	2,60,000	0.13	-	2,60,000	0.13	-	-
11	Jaipur Finance and Dairy Product Pvt. Ltd.	2,08,000	0.10	-	2,08,000	0.10	-	-
12	India Silica Magnesite Works Limited	2,00,000	0.10	-	2,00,000	0.10	-	-
13	Bengal Rubber Company Limited	1,95,000	0.10	-	1,95,000	0.10	-	-
14	Ms. Nirmala Birla	31,61,680	1.54	-	31,61,680	1.54	-	-
15	Ms. Amita Birla	3,88,000	0.19	-	3,88,000	0.19	-	-
16	Ms. Avani Birla	1,30,000	0.06	-	1,30,000	0.06	-	-
17	Ms. Avanti Birla	1,30,000	0.06	-	1,30,000	0.06	-	-
18	Mr. Shyam Sunder Jajodia	-	-	-	-	-	-	-
	Total	7,65,49,922	37.37	2.83	7,65,49,922	37.37	6.01	-

(iii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.2019 to 31.3.2020)	
		No. of shares at the beginning (1.4.2019/ end of the year (31.3.2020))	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Franklin India Focused Equity Fund	-	-	01-04-2019				
				13-12-2019	1,34,78,341	Purchase	1,34,78,341	6.58
				20-12-2019	3,92,715	Purchase	1,38,71,056	6.77
				27-12-2019	1,78,944	Purchase	1,40,50,000	6.86
				10-01-2020	5,50,000	Purchase	1,46,00,000	7.13
				31-01-2020	4,00,000	Purchase	1,50,00,000	7.32
				20-03-2020	21,316	Purchase	1,50,21,316	7.33
		1,50,21,316	7.33	31-03-2020				
2	HDFC Trustee Company Limited A/c HDFC Balanced Advant	1,08,38,200	5.29	01-04-2019		Nil movement during the year		
		1,08,38,200	5.29	31-03-2020				
3	India Capital Fund Limited	89,17,325	4.35	01-04-2019				
				14-06-2019	60,000	Purchase	89,77,325	4.38
				20-03-2020	(52,325)	Sale	89,25,000	4.36
		89,25,000	4.36	31-03-2020				

Sl. No.	Name	Shareholding		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (1.4.2019 to 31.3.2020)	
		No. of shares at the beginning (1.4.2019/ end of the year (31.3.2020))	% of total shares of the Company				No. of shares	% of total shares of the Company
4	Reliance Capital Trustee Company Limited A/c - Nippon India S	56,96,526	2.78	01-04-2019		Nil movement during the year		
		56,96,526	2.78	31-03-2020				
5	Government Pension Fund Global	42,89,079	2.09	01-04-2019		Nil movement during the year		
		42,89,079	2.09	31-03-2020				
6	Life Insurance Corporation of India	42,25,812	2.06	01-04-2019		Nil movement during the year		
		42,25,812	2.06	31-03-2020				
7	National Insurance Company Limited	42,22,506	2.06	01-04-2019		Nil movement during the year		
		42,22,506	2.06	31-03-2020				
8	HDFC Trustee Co. Ltd. A/c HDFC Housing Opportunities	40,18,661	1.96	01-04-2019		Nil movement during the year		
		40,18,661	1.96	31-03-2020				
9	Birla Institute of Technology and Science	35,19,850	1.72	01-04-2019		Nil movement during the year		
		35,19,850	1.72	31-03-2020				
10	Rukmani Birla Educational Society	34,72,140	1.69	01-04-2019		Nil movement during the year		
		34,72,140	1.69	31-03-2020				

(iv) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 1-4-2019		Cumulative shareholding during the year 31-3-2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Chandrakant Birla				
	At the beginning of the year	31,53,570	1.54	31,53,570	1.54
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	31,53,570	1.54	31,53,570	1.54
2.	Mrs. Amita Birla				
	At the beginning of the year	3,88,000	0.19	3,88,000	0.19
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	3,88,000	0.19	3,88,000	0.19

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 1-4-2019		Cumulative shareholding during the year 31-3-2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3.	Mr. Desh Deepak Khetrpal				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
4.	Mr. Rajeev Jhawar				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
5.	Mr. Rabindranath Jhunjhunwala				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
6.	Mr. Janat Shah				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
7.	Mr. Swapan Dasgupta				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
8.	Mr. I.Y.R. Krishna Rao				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year 1-4-2019		Cumulative shareholding during the year 31-3-2020	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9.	Mrs. Varsha Vasant Purandare				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
10.	Mr. Soumitra Bhattacharyya #				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
11.	Mrs. Nidhi Bisaria				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-
12.	Mr. Sushil Gupta @				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-

Appointed w.e.f. 29-01-2020

@ Resigned w.e.f. w.e.f. 29-01-2020

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,25,553.35	-	-	1,25,553.35
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	184.86	-	-	184.86
Total (i+ii+iii)	1,25,738.21	-	-	1,25,738.21
Change in Indebtedness during the financial year				
• Addition	63,037.94	5,000	-	68,037.94
• Reduction	69,029.59	5,000	-	74,029.59
Net Change	(5,991.64)	-	-	(5,991.64)
Indebtedness at the end of the financial year				
i) Principal Amount	1,19,561.70	-	-	1,19,561.70
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	145.47	-	-	145.47
Total (i+ii+iii)	1,19,707.18	-	-	1,19,707.18

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in lacs)

Sl. no.	Particulars of Remuneration	Managing Director & CEO	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	990.34	990.34
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	54.29	54.29
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-
2	Stock Option (in number)	8,31,900 Options	8,31,900 Options
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others	-	-
5	Others		
	- Employers' Contribution to Provident Fund	43.20	43.20
	Total (A)	1087.83	1087.83
	Ceiling as per Act	Not Applicable	

Remuneration paid to the Managing Director & CEO is as per the terms approved by the shareholders' in the Annual General Meeting held on August 1, 2019.

B. Remuneration to other directors
(₹ in lacs)

1. Independent Directors							
Particulars of Remuneration	Name of Directors						Total Amount
	Mr. Rajeev Jhawar	Mr. Rabindranath Jhunjhunwala	Mr. Janat Shah	Mr. Swapan Dasgupta	Mr. I.Y.R. Krishna Rao	Mrs. Varsha Vasant Purandare	
Fee for attending board / committee meetings	11.00	6.00	12.50	14.00	10.50	14.00	68.00
Commission	12.50	12.50	12.50	12.50	12.50	12.50	75.00
Others	-	-	-	-	-	-	-
Total (1)	23.50	18.50	25.00	26.50	23.00	26.50	143.00
2. Other Non-Executive Directors							
Particulars of Remuneration	Mr. CK. Birla		Mrs. Amita Birla				Total Amount
Fee for attending board / committee Meetings	7.00		3.00				10.00
Commission	12.50		12.50				25.00
Others	-		-				-
Total (2)	19.50		15.50				35.00
Total (B)=(1+2)							178.00
Total Managerial Remuneration(A+B)	₹100 lacs (excluding the sitting fees paid to non-executive directors and remuneration paid to the Managing Director & CEO as per the terms approved by the shareholders' in the Annual General Meeting held on August 1, 2019)						
Overall ceiling as per Act	11% of the net profits of the Company, i.e., ₹1490.84 lacs.						

C. Remuneration to Key Managerial Personnel other than Managing Director/ Manager/ Whole Time Director
(₹ in lacs)

Sl. no.	Particulars of Remuneration	Chief Financial Officer		Company Secretary	Total Amount
		Mr. Sushil Gupta (resigned w.e.f. 29-1-2020)	Mr. Soumitra Bhattacharyya (appointed w.e.f. 29-1-2020)		
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	200.48	28.93	26.28	255.69
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option (in number)	-	-	-	-
3.	Sweat equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others	-	-	-	-
5.	Others				
	- Employer's Contribution to Provident Fund	8.24	1.98	1.24	11.46
	- NPS	6.87	-	1.03	7.90
	Total (C)	215.59	30.91	28.55	275.05

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment			Nil		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			Nil		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			Nil		
Compounding					

By order of the Board of Directors
For Orient Cement Limited

CK. Birla
Chairman
(DIN 00118473)

Place: New Delhi
Date: May 22, 2020

ANNEXURE-6

Conservation of Energy and Technology Absorption

A)	CONSERVATION OF ENERGY:	
(i)	the steps taken or impact on conservation of energy	<p>Devapur:</p> <ul style="list-style-type: none"> • Speed control of fans in Line-1 • L-1 Cooler duct modifications • The above modifications resulted in saving 158 kW with recurring benefit • Plant Optimisation: Arresting false air in the system, avoiding idle running of the motors and better uptime of the equipment • Continuous running of Line-3 Kiln for 173.3 days resulted in thermal saving of 6 K Cal/ Kg Clinker. • StrongCrete storage optimization providing longer run of Cement mill, resulting in power saving of 2.13 kWh/T recurring benefit. • Modification and optimization of bag filters resulted in saving of 250 kW on sustainable basis. • Auxiliary consumption in CPP was reduced with the several modifications: <ul style="list-style-type: none"> • Speed control in instrumentation air compressors. • Control valves modification to operate with minimum no. of compressors • Speed control in auxiliary cooling water pump • ESP hopper heaters with temperature control • Coal section operation in auto mode • Optimisation of silo compressors • The above functions resulted in daily saving 8950 units on sustainable basis.
		<p>Jalgaon:</p> <ul style="list-style-type: none"> • Feeding of Line 2 Roller press dust collector discharge material to mill outlet increasing productivity and lowering specific power consumption. • Diverting Line1 mill elevator dust collector material from mill outlet to final product increasing productivity and lowering specific power consumption. • Modification of clinker silo extraction vent line to utilize Single Dust Collector for both tunnel thus saving power. • Removal of Line1 Polycom Sepol fan inlet damper, thus saving energy. • Removal of damper from Packer 1, 2 & 3 dust collector fan inlet and thus saving energy. • Direct feeding of fly ash from fly ash silo 2 to line 2 mill outlet saving energy. • MCC lights automatic switching with photovoltaic sensor and timer circuit savings 12 units/day. • Replacement of 70 W HPSV lamps with 30 W COB LED savings 13 units/day. • Replacement of conveyor of elevator 2 by airslide resulting in 18 kW power saving. • BE 70301 inlet air slide section changed from 280 mm to 400 mm for increased productivity. • Replacement of Line 1 mill sepol fan impeller with high efficiency, high volume impeller saving power.

		<p>Chittapur:</p> <ul style="list-style-type: none"> • Saving of 5 Kcal per Kg Clinker by applying special heat resistant paint on pre heater cyclones. • Balancing of cooling air through optimization of cooler fans. • Optimization of Kiln hood draft resulting in saving in cooler ESP fan power consumption. • Operation of coal reclaimer in auto mode resulting in reduction of idle running of coal transport circuit. • Reducing the purging pressure of coal mill and raw mill bag house. • Optimization of bag filters. • Optimization of raw mill-1 & 2 separator speed. • Logic modification for additive reclaimer to avoid idle running. • Logic modification of cement mill bag filter heaters, stopping when mill stops saving power. • Installation of pneumatic valve in both cement mills compressed air line resulting in reduced air consumption.
		<p>Chittapur CPP:</p> <ul style="list-style-type: none"> • Energy Saving of 1080 kWh/day by introducing VFD for auxiliary cooling water pumps (ACW). • Energy Saving of 840 kWh/day by modification of BFP feed control valve with trim set, thereby reducing pressure drop across the feed control valve. • Energy Saving of 560 kWh /day by switching off P&V Blower (30kW) of compressor house building based on atmospheric weather conditions. • Energy Saving of 260 kWh/day by switching off the humidity control heater in AC duct based on control room temperatures. • Energy saving of 240 kWh/day by throttling of generator heat exchanger outlet valve with single boiler operation. • Energy saving of 160 kWh/day by Switching off second number AC unit based on Control room temperature. • Energy Saving of 133 kWh/day by arresting air leakages in instrument airlines. • Energy Saving of 83 kWh/day by Switching off four STG building roof extraction fans out of six fans for 12hrs / day based on atmospheric weather conditions. • Energy Saving of 75 kWh/day by reducing the mA Setting of ESP controllers.
(ii)	The steps taken by the Company for utilising alternate sources of energy	<p>Devapur:</p> <ul style="list-style-type: none"> • Usage of alternative fuels in all three Kilns in plants. <ul style="list-style-type: none"> • Carbon Black • Organic Residue • Agro Waste • Plastic waste • Usages of Agro waste in CPP • Partial firing of pet coke in all the kilns

		<p>Chittapur:</p> <ul style="list-style-type: none"> • 210 Lakh kWh of green power (Wind/Solar/Hydel) was purchased and consumed during the year (15% of consumption). • Increase of Pet coke consumption up to 75% by heat. • Installation and commissioning of VFD's and safety instruments for screw conveyor, bucket elevator, belt conveyor, shredder that are being used for feeding of alternate fuels. • Usage of alternative fuels in Kiln <ul style="list-style-type: none"> • LAFR • Carbon Black • Organic Residue • Agro Waste • Plastic Waste • Usages of Agro Waste in CPP. • Using Super Poly Diesel in place of HSD for Kiln Firing.
(iii)	The capital investment on energy conservation equipments	<p>Devapur:</p> <ul style="list-style-type: none"> • Installation of low NOx burner for Line-1 Kiln (₹168.19 lacs) • Storage and feeding system of Carbon black. (₹134.32 lacs) <p>Jalgaon:</p> <ul style="list-style-type: none"> • Establishment of Energy Management System – ₹36.21 lacs • Replacement of Polycor rollers with new set of rollers – ₹268.61 lacs <p>Chittapur:</p> <ul style="list-style-type: none"> • Special Heat Resistant Paint on Pre-Heater Cyclones for ₹41.84 lacs.
(B)	TECHNOLOGY ABSORPTION:	
(i)	The efforts made towards technology absorption	<p>Jalgaon:</p> <ul style="list-style-type: none"> • Up-gradation of CM 2 motor LRS with VLRS, to eliminate the losses due to moving electrodes. • Up-gradation of 10 Nos IE2 efficiency class (92%) induction motor to IE3 efficiency class (93%). • Used latest nano technology based welding materials for the profiling of line 2 rollers which helps to keep steady output. • Packer 2 chain type elevator replacement with belt type. • In house grinding aid (TEA) development and using for CM1 & CM2 to produce PPC. <p>Chittapur:</p> <ul style="list-style-type: none"> • Gunning castable introduced in preheater critical areas. • Installation of new draft points in 6th cyclone feed pipes. • Coating repellent castable applied in 6th cyclone feed pipes. • Modification in ammonia spray nozzles. • Installation and commissioning of Ammonia Slip Sensor at main bag house chimney to know the ammonia slippage quantity to atmosphere.

(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	<p>Devapur:</p> <ul style="list-style-type: none"> • Profiling of rollers was carried out every 3-4 months with conventional welding, whereas by adopting nano technology, life of the profiling of the rollers extended to over 17 months. • Introduced Sintercast blow bars for limestone crusher which has given prolonged maintenance free life. • Fog spray system introduced to control fugitive emissions
		<p>Jalgaon:</p> <ul style="list-style-type: none"> • Reduction in CM 2 stoppages during start-up with the installation of VLRS. • Life enhancement of rollers by latest nano technology based welding materials for the profiling of line 2 rollers • Maintenance cost reduced due to chain type elevator replacement with belt type.
		<p>Chittapur:</p> <ul style="list-style-type: none"> • Application of gunning castable reduced shutdown time & reduces safety hazards. • Pre-warning / preventing material accumulation in cyclone feed pipe. • Reduction in ammonia molar consumption. • Stabilization of liquid AFR by continuous monitoring of chlorides & PH analysis.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
(a)	the details of technology imported	
(b)	the year of import	
(c)	whether the technology been fully absorbed	Not Applicable
(d)	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv)	the expenditure incurred on research and development	

By order of the Board of Directors
For Orient Cement Limited

CK. Birla
Chairman
(DIN 00118473)

Place: New Delhi
Date: May 22, 2020

ANNEXURE-7

Dividend Distribution Policy

1. BACKGROUND, PURPOSE, OBJECTIVES AND SCOPE

The equity shares of the Company are listed on National Stock Exchange of India Limited and BSE Limited. SEBI vide its Notification No. SEBI/ LAD-NRO/GN/2016-17/008 dated July 08, 2016 has amended the Listing Regulations by inserting Regulation 43A in order to make it mandatory to have a Policy in place by the top five hundred listed companies based on their market capitalization. Considering the provisions of the aforesaid Regulation 43A, the Board of the Company recognizes the need to lay down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to its shareholders and/ or retaining or plough back of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders. The intent of the Policy is to broadly specify the following:

- (a) The circumstances under which the shareholders of the Company may or may not expect dividend;
- (b) Internal and external factors including financial parameters that shall be considered while declaring dividend;
- (c) Policy as to how the retained earnings shall be utilized;
- (d) Parameters that shall be adopted with regard to various classes of shares.

Any deviation on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board.

The Board of Directors of the Company in its meeting held on 4th February, 2017 has approved this Dividend Distribution Policy of the Company which endeavors for fairness, consistency and sustainability while distributing profits to the shareholders.

2. EFFECTIVE DATE

This Dividend Distribution Policy is effective w.e.f 4th February, 2017.

3. DEFINITIONS

“Act” shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.

“Board” or “Board of Directors” shall mean the Board of Directors of the Company.

“Company” means Orient Cement Limited.

“Dividend” includes any interim dividend and shall mean Dividend as defined under the Companies Act, 2013.

“Listing Regulations” shall mean the “SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015” and the amendments thereto.

“Policy” shall mean this Dividend Distribution Policy.

“SEBI” shall mean Securities and Exchange Board of India.

4. PARAMETERS AND FACTORS FOR DECLARATION OF DIVIDEND

- (I) Financial parameters and Internal Factors
 - (a) Working capital requirements
 - (b) Profits earned during the year
 - (c) Profit available for distribution
 - (d) Past dividend payout ratio/ trends
 - (e) Earnings per share(EPS)
 - (f) Cost of Borrowing
 - (g) Capital expenditure requirement
 - (h) Business expansion, growth and acquisition
 - (i) Creation of contingency fund
 - (j) Investment in joint-ventures, associates and subsidiaries
 - (k) Agreements with lending institutions/ debenture trustees etc.
 - (l) Likelihood of crystallization of contingent liabilities, if any
- (II) External Factors
 - (a) Statutory provisions and guidelines
 - (b) Economic environment
 - (c) Capital Markets
 - (d) Global conditions
 - (e) Dividend payout ratio of competitors

5. CIRCUMSTANCES UNDER WHICH DIVIDEND PAYOUT MAY OR MAY NOT BE EXPECTED

The decision of dividend payout shall, majorly be based on the aforesaid factors considering the balanced interest of the shareholders & the Company. The shareholders of the Company may not expect Dividend under the following circumstances:-

- (a) Proposed expansion plans including capital expenditure for existing operations, requiring higher capital allocation
- (b) Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc. which requires significant capital outflow
- (c) Requirement of higher working capital for the purpose of business of the Company
- (d) Proposal for buyback of securities
- (e) In the event of loss or inadequacy of profit

6. MANNER OF UTILISATION OF RETAINED EARNINGS

The Board may decide to plough back the earnings for a particular financial year(s) to ensure the availability of funds for any of the following purpose:-

- (a) Expansion plans
- (b) Modernization plans
- (c) Diversification/ acquisition of business
- (d) Plant expansion & diversification
- (e) Replacement of capital assets
- (f) Mitigate dependence on external debts
- (g) High financial leverage
- (h) Other such criteria as the Board may deem fit from time to time

7. PARAMETERS FOR VARIOUS CLASSES OF SHARES

The holders of the equity shares of the Company, as on the record date, are entitled to receive dividends. Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably revisited at the time of issuance of any new class of shares depending upon the nature and guidelines thereof.

8. PROCEDURE

- (a) The Chief Financial Officer in consultation with Managing Director & CEO of the Company shall recommend any

amount to be declared/ recommended as Dividend to the Board of the Company.

- (b) The agenda of the Board where Dividend declaration/ recommendation is proposed shall contain the rationale of the proposal.
- (c) Pursuant to the provisions of the applicable laws and this Policy, interim dividend approved by the Board will be confirmed by the shareholders and final dividend, if any, recommended by the Board, will be subject to shareholders approval, at the ensuing Annual General Meeting of the Company.
- (d) The Company shall ensure compliance of provisions of applicable laws, the Act, SEBI Rules and Regulations and this Policy in relation to Dividend declared by the Company.

9. POLICY EXCLUSION:

The Policy shall not be applicable in the following circumstances:-

- (a) Any distribution of cash as an alternative to payment of dividend by way of buyback of equity shares
- (b) Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities
- (c) Determination and declaration of dividend on preference shares, if any.

10. DISCLOSURES

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company i.e. www.orientcement.com.

11. GENERAL

- (a) The Policy would be subject to revision/ amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorised, from time to time, on the subject matter.
- (b) The Company reserves its right to alter, modify, cancel, add, delete or amend any of the provisions of this Policy.
- (c) In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Management discussion and analysis report

INDIAN ECONOMIC REVIEW

During the year under review, the macro-economic environment in India has been rather tepid due to multiple factors, the major contributors being the crisis that hit the NBFC sector which had been fueling the consumption story of the country through easier access to credit to retail borrowers, low investments by the corporate/ industrial sector and the overall low demand across sectors, including real-estate. India's GDP growth for FY2019-20 is estimated at ~5% compared with 6.1% in the previous year. Manufacturing growth contracted by 1.3%, as against 3.8% growth in FY19. A sharp slowdown in economic growth and a surge in inflation weighed on the country's currency rate; the Indian rupee emerged as one of the worst performers among Asian peers, marked by a depreciation of nearly 8% over fiscal year 2019-20. Retail inflation climbed to a six-year high of 7.6% in January 2020 before moderating to 5.9% in March.

Despite the economic challenges, India emerged as the fifth-largest world economy in 2019 with a gross domestic product (GDP) of \$2.94 trillion. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking.

The challenging business and economic environment during the year under review was further exacerbated by a nationwide lockdown imposed towards the end of the financial year under review to contain the spread of novel coronavirus. The nationwide lockdown has cast a long shadow on the anticipated recovery of the Indian economy in Fiscal 21. The economy will also have to grapple with external factors like weak global demand and supply chain disruptions along with factory shutdowns, curtailment of discretionary spend and delayed capex cycle.

KEY GOVERNMENT INITIATIVES, 2019-20

National infrastructure pipeline: To achieve a GDP of USD 5 trillion by 2025, the government announced a National Infrastructure Policy entailing an investment of ₹102 trillion in five years.

Corporate tax relief: The government slashed the corporate tax rate to 22% from 30%; it announced a new tax rate of 15% for new domestic manufacturing companies, strengthening the Make-in-India initiative. The new effective tax rate

would be 25.17%, inclusive of a new lower surcharge of 10% and cess of 4%. India's corporate tax rate is progressively converging to the global average tax rate of 23.03%.

Outlook

Given the uncertainties created by the novel coronavirus, it is impractical to hazard forward projections of the country's economic performance till the spread of the infection stabilizes and its full impact on the society and economy can be assessed. Your Company has opted for the path of being flexible and adaptive, rather than predictive. Still, a tentative forecast puts the Indian economic growth at 1.5% in 2020-21 while nearly all major G20 economies are expected to shrink due to COVID-19 impact.

INDIAN CEMENT INDUSTRY OVERVIEW

Accounting for ~8% of the global installed capacity, the Indian cement industry retained its position as the world's second largest cement producer. Of the country's installed capacity of 509 million tonnes (MT), around 98% is in the private sector. The country's per capita consumption of cement was pegged at 235 kgs compared to the global average of 520 kgs in 2019, indicating multi-year growth headroom.

The cement sector is a key contributor to GDP, generating employment for over one million people. However, while having to cope with the slower rate of growth in the economy throughout the year, the cement sector, alongwith the rest of the economy, has suffered further setbacks in the wake of the novel coronavirus pandemic as construction work has slowed and migrant on-site workers have been returning to their native places.

India's cement demand reported de-growth of 1% in FY20, the second such instance in 15 years. The incremental supply exceeded cement demand by 27 million tonnes.

Cement demand progression

FY18	9%
FY19	12%
FY20	(1%)
FY21[P]	(10-25%)

Realisations per tonne of cement

FY18	₹4568
FY19	₹4658
FY20 [P]	₹4877
FY21[P]	₹4750-4760

(Source: CRISIL Research)

Prospects for the country's cement industry appear sluggish for FY 21 impacted significantly by the pandemic. Some estimates state that the demand for cement in India could contract by as much as 20% in FY21, that would be the sharpest annual decline in years, if it happens. The recovery of the sector could be delayed on account of lower government infrastructure expenditure and weak demand from the country's real estate sector. This could moderate sectoral capacity utilisation to 56-58% with a corresponding decline in realisations by 2-3% due to the increased non-trade sales. (Source: Equity master, CMA Care Ratings, Cement, Economic Times, Business Today, CRISIL Research)

Cement demand drivers

Notwithstanding the unprecedented level of uncertainty created by the pandemic, the long term view of the Indian cement sector has to factor in the following: -

Rising incomes: The nominal per-capita net national income in 2019-20 was estimated at ₹135,050, a rise of 6.8% compared to ₹126,406 in 2018-19.

Urbanisation: India's urbanization is expected to grow from 34% in 2019 to 40% in 2030, which is likely to strengthen housing and cement demand.

Housing shortage: India is experiencing a shortage of 10 million affordable housing units. With the Government's focus on plugging this gap, the cement sector is expected to enjoy sustained traction.

Office space growth: India's office leasing volume for 2019 was pegged at 60.6 million square feet, growing 27% y-o-y. A large number of these projects remain unfinished, driving future cement offtake.

Infrastructure boost: The national infrastructure pipeline projected infrastructure investment of ₹102 lakh crore between 2019-20 and 2024-25.

Highways: The country's highway length increased from 91,287 km in April 2014 to ~1,32,500 km in December 2019. Average highway construction was pegged at 32km daily in 2019-20 and expected to grow.

Port: The country's port sector (13 major and 200 minor

ports) is expected to implement infrastructure upgradation.

One of the positive outcomes of this pandemic could well be the urgency to improve and decongest urban sprawls and create better living conditions including improved hygiene and sanitation. This could bring new opportunities for the cement industry.

SECTOR - STRENGTHENING GOVERNMENT INITIATIVES

Pradhan Mantri Awas Yojana (PMAY-Urban): The Government intends to build one crore houses by 2022.

Pradhan Mantri Awas Yojana (PMAY-Gramin): Under the second phase of this initiative, the Government intends to provide 1.95 crore houses to eligible beneficiaries between 2019-20 and 2021-22.

Pradhan Mantri Gram Sadak Yojana (PMGSY): Under Phase III, the Government allocated ~₹80,000 crore for the upgradation of 1.25 lakh km of rural roads between 2019-20 and 2024-25.

Smart Cities Mission: More than 5,000 projects worth more than ₹2 trillion were under different stages of implementation across 100 cities.

Bharatmala Pariyojana: The Government approved the first phase of this road building initiative and is projected to cover 34,800 km with an outlay of ₹5,35,000 crore. Until October 2019, the Government had approved 255 road projects with an aggregate length of about 10,699 km and a total cost of ₹2,64,916 crore.

Sagarmala Pariyojana: The Government identified more than 574 projects to be implemented for ₹6.01 lakh crores between 2015 and 2035. Out of this, 121 projects entailing spending of ₹30,228 crores had been completed till October 2019; 201 more projects are under implementation.

(Source: ICTAS, Hindu Business Line, Businesswire, CRISIL Research, Economic Times, PMAY, Business Standard, MoSPI, Marketwatch, PIB, Financial Express)

ORIENT CEMENT'S PERFORMANCE, 2019-20

Financial performance

Your Company has reported revenues of ₹2,439.52 crore in 2019-20, a de-growth of ~4% compared to ₹2,536.14 crore in the previous year impacted by lower volumes during the year. Despite the revenue decline, the Company's EBITDA stood at ₹400.59 crore in 2019-20, a ~23% increase compared to ₹326.01 crore in the previous year. The Company reported a post-tax profit of ₹86.59 crore in 2019-20, compared to ₹47.55 crore in FY19, an increase of ~82%. In view of this,

despite the anxieties created for the economy by the novel coronavirus, the Company proposes a dividend of ₹0.75/- per equity share worth ₹1/- (fully paid-up).

The Company has protected its market share as a result of extensive branding initiatives, strong technical support and

improvement in service to the channels and customers.

A focus on premiumization, enhanced efficiencies, improved pricing and strong controls on fixed costs has contributed to the improved profitability.

Key financial ratios

Particulars	31 st March, 2020	31 st March, 2019	Variance (%)
Debtors turnover	14.97	14.05	6.55
Inventory turnover	10.24	13.56	(24.53)
Interest coverage	3.62	2.93	23.81
Current ratio	1.00	0.90	11.87
Debt equity ratio	1.10	1.22	(10.43)
Operating profit margin	16.54%	12.93%	27.97
Net profit margin	3.49%	1.86%	88.12
Return on net worth	7.57%	4.45%	70.15

During the year ended March 31, 2020, the operating profit ratio improved by 27.97%, from 12.93% in FY19 to 16.54%. During the same period, the net profit margin improved by 88.12%, from 1.86% in FY19 to 3.49% in FY20 and the return on net worth improved by 70.15%, from 4.45% to 7.57%.

These improvements are a result of premiumisation strategies adopted by the Company, improved efficiencies, higher AFR usage, improved fuel mix, other effective cost control measures both for fixed and variable costs, adopted by the Company and better cement price realisation during the year.

OPERATIONS

In a competitive and capital-intensive business, success is derived from the ability to maximize asset utilization on the one hand and drive superior operational efficiencies on the other. Your Company has been successfully strengthening this culture of resource-optimisation through innovation and continuous improvement.

The Company addressed rising energy costs by moderating energy consumption and optimizing the use of cost-effective fuels, without compromising plant productivity or product quality. It has always remained compliant with the statutory norms related to the environment, people and equipment.

The Company strengthened its focus on fuel flexibility and optimised fuel costs through the consumption of lowest cost fuels. The Company has been exploring different alternative fuels and sources and has steadily increased its thermal substitution rate. The Company integrated management systems like ISO 9001:2015, ISO 14001:2015,

ISO 45001:2018 and ISO 50001:2018 to ensure standardized processes and increase operational efficiency. By doing so effectively, your Company emerged as one of the most cost-effective cement producers in India.

During the year under review, your Company made significant progress on critical replacements and upgrades to deliver higher availability of major equipment, focus on process automation to improve costs and eliminate safety risks and further optimise power and fuel consumption through various initiatives. Initiatives to enhance output and efficiency of its captive power plant at Chittapur is also worthy of note.

The year ahead could prove challenging for the cement industry on account of uncertainties related to the duration of the impact of the pandemic. The Company intends to strengthen its cost management by further deploying its already developed capabilities to increase use of cheaper fuels and investing in the enabling infrastructure to do so. A number of low-to-moderate investment and quick payback projects have been identified across all three plants for progressive rollout.

One of the major initiatives proposed to be undertaken by your Company during FY21 is digitization and use of data-analytics in decision-making across operations, to further strengthen performance and drive monetization of efficiency improvements.

SALES AND DISTRIBUTION

The year under review was challenging for the Company as the cement industry reported a de-growth of 1% on pan India basis. The industry de-growth in demand in the Company's

addressable markets in Telangana & Maharashtra has been much steeper than the overall cement industry de-growth. In these challenging times, your Company has deepened its channel network making best use of its efficiencies in manufacturing and production capabilities. The Company's brands leveraged their strong brand recall as well as the strategic location of its Devapur, Jalgaon and Chittapur plants. Your Company added 491 dealers and 1891 retailers during the year, strengthening its sales and distribution footprint. It strengthened channel and institutional sales (channel sales to retailers / dealers and institutional sales to leading EPC companies and other B2B customers), penetrating deeper into Maharashtra, Telangana and Karnataka.

The Company's brands strengthened their respective market shares, improving their positioning in North Telangana and Maharashtra. The Company further widened its footprint across South Karnataka, South Gujarat and West Madhya Pradesh. During the year under review, your Company sold 5.8 million tonnes of cement, a decline of 9.5% compared to 6.4 million tonnes sold in 2018-19, on account of lower demand in the addressed markets and also due to the novel coronavirus outbreak in the last quarter of the financial year.

Your Company further deepened its customer-centricity through its Key Account Management System (KAM) that focused on servicing the growing needs of key institutional customers and enhancing their relationship and wallet share, thus creating more traction with these institutional customers.

Despite this challenging scenario of negative demand growth in some of its major markets, your Company strengthened its visibility, product placement and availability by capitalising on longstanding dealer and retailer relationships. The Company effectively engaged with big, medium and small sized dealers spread across a large area of its operations, thereby reducing its dependence on just a few.

The Company's sales team is a well-balanced combination of experience and youth. Customized training ensures the delivery of necessary knowledge, skills and understanding of the latest technology tools to service customers. Following digitalization, the sales team enjoyed access to real-time data that accelerated customer service and marketplace responsiveness. Your Company re-aligned its sales team and distribution model to address consumer needs with increased effectiveness. The premium product "Birla A1 StrongCrete" gained good traction during the year under review.

Going ahead, your Company intends to deepen its rural penetration by leveraging the power of its brands,

complemented by the addition of dealers and distributors and supported by an efficient and responsive service. This is expected to increase market share and the offtake of premium products leading to improved performance.

BRANDING AND MARKETING

Unlike other building materials, cement has been transitioning from a commodity into a branded product. There is an increased need to brand cement effectively, making superior recall a key sales driver. During the last few years, the number of brands on offer in India's cement industry has multiplied, increasing brand clutter as cement companies transformed the traditional sales counter approach into a multi-brand concept across markets.

Your Company proactively undertook initiatives to widen its digital footprint based on the conviction that an integrated branding strategy would translate into a competitive advantage. It leveraged the credible recall of the CK Birla Group, one of the country's most trusted business houses. The Company reinforced the recall of being a consistent manufacturer of quality cement products. A 360-degree communication approach helped the Company enhance pan-India visibility. A consistent investment in brand building strengthened customer loyalty and helped establish the premium offering of "Birla A1 StrongCrete" as a premium product best suited for load-bearing concrete structures.

The result is that the Company's products – 'Birla A1 StrongCrete', 'Birla A1 Premium Cement' (PPC), 'Birla A1 Premium Cement 53 Grade' (OPC) and 'Birla A1 Premium Cement 43 Grade' (OPC) - set industry benchmarks and were recognized as best-in-class.

Birla A1 StrongCrete: The Company developed a product marked by superior properties like fineness, particle size distribution and admixture proportion, making it possible to sustain high pressure and extreme weather conditions suited for load-bearing concrete structures. Positioned as the most premium product in the category launched in the Company's core markets.

Salient features

- Early de-shuttering due to OptiMix18™ properties
- Ideal for mixing, transportation, placement and compaction due to superior fineness that ensured denser, stronger and more compact concrete
- Produced with Pressure Sustaining Technology (PST), the Company's proprietary technology that enhances load-bearing pressure
- Contained an optimized dose of mineral admixtures,

ensuring the availability of a higher quantity of C3S (tricalcium silicate) molecules responsible for the superior properties of 'Birla A1 StrongCrete'

- Packaged in tamper-proof and moisture-proof laminated polypropylene bags, minimizing wastage during transportation and ensuring product freshness.

Birla A1 Premium Cement (PPC): This flagship brand in the PPC category comprises an inter-grinding of Portland cement clinker, gypsum as well as fine-grained and reactive fly ash. The superior particle size distribution enhances strength, resulting in higher density and lower porosity in the hydrated cement resulting in increased durability. The sustainable nature of the brand attracted the prestigious GreenPro certification by CII-Green Products and Services Council (GPSC), making it one of the most recognized brands in Southern, Western and Central India.

Salient features

- Enhanced strength and durability
- Crack-free construction
- Environment-friendly product
- Increased resistance to extreme climatic conditions
- Mortar homogeneity, ensuring smooth plastering
- Optimum soundness resulting in weather-resistant construction
- Uniform particle size distribution (PST); superior cement coverage
- Better workability
- Lower maintenance needs

Birla A1 Premium Cement OPC 53 Grade: This pioneer of 53-grade cement in India was launched in 1992 as Orient Gold, opening a new building construction dimension. The brand was integrated into the Company's umbrella brand and repositioned as Birla A1 Premium Cement – OPC 53 Grade

Salient Features

- Higher initial setting
- Low heat of hydration; crack-resistant cement
- High ultimate strength creates strong and durable structures
- Optimum setting time ensures timely construction completion
- Uniform particle size distribution (PST) leads to superior cement coverage

Birla A1 Premium Cement OPC 43 Grade: Originally launched as Orient 43 Grade Cement, the product emerged as one of the first successful brands launched by the

Company. The product is manufactured under controlled process conditions using sophisticated manufacturing equipment. Within a short time, the brand gained traction, transforming Birla A1 into a popular household name. The brand was integrated into the Company's umbrella brand and repositioned as Birla A1 Premium Cement – OPC 43 Grade.

Salient Features

- General purpose cement suitable for pre-cast and pre-stressed RCC construction
- Suitable for sheet and pipes of asbestos and non-asbestos-based products
- Suitable for general civil engineering construction works
- Compressive strengths significantly higher than BIS Standards

STRENGTHENING THE BRANDS

During the year under review, your Company strengthened its visibility through the following initiatives:

Brand film campaign: To strengthen StrongCrete's premium positioning, the Company launched a film titled 'Families Forever', the first time the emotion of 'love' was associated with a cement product/ brand. The film captured the security and love that an individual finds in a home, communicating the message that 'Birla A1 StrongCrete' ensures that a 'family home' lasts forever.

Partner of Hyderabad Hunters: The Company associated with prominent events to enhance recall and relevance. The Company associated with the Premier Badminton League team called Hyderabad Hunters led by the champion shuttler of India, Ms. P.V. Sindhu, enhancing market visibility.

Strengthening rural presence: The Company organized/ sponsored multiple events in diverse categories like sports, festivals and local events. These events attracted large number of participants and strong media coverage, enhancing rural visibility.

Orient Elite Club: The Company's customer-centricity and respect for channel partners was show-cased at the launch of the 'Orient Elite Club' that honoured the Company's leading dealers at an exclusive conference.

Strengthening relationships: The Company initiated activities to strengthen engagement with trade partners and retailers.

Moving media advertising: To enhance out-of-home visibility, the Company initiated branding across bulk carriers, each travelling more than 500 kms per day for at least 20

days a month across its addressed markets.

Swarna Utsav model: The Company organised dealer meets, where dealers were felicitated and invited to participate in fun activities with their families. During the year under review, the Company organised 28 Swarna Utsavs across all markets.

BRAND PERFORMANCE REVIEW, 2019-20

The year under review proved challenging for the economy, the cement sector and your Company. Yet, your Company launched the premium 'Birla A1 StrongCrete' in more markets, supported by reader-friendly content to educate customers and consumers about the brand's differentiation.

The challenge of communicating the value-proposition of 'Birla A1 StrongCrete' as a premium product was addressed through promotion in premium media outlets (hoardings, radio, movies and digital media), enhancing desired recall.

Even as the market remained competitive, comprising a large number of national and regional players, your Company enhanced visibility through collaterals like dealer and retailer boards, in-shop branding, company-owned hoardings, shop wall paintings and table-top gift items.

To address the challenge of communicating the 'The Forever Cement' brand philosophy in a cluttered communication environment, the Company targeted the audience's emotional quotient. The Company's 'Families Forever' film campaign highlighted Birla A1StrongCrete's positioning, garnered ~9.2 million views, was translated into Hindi, Marathi, Telugu and Kannada, was covered by 15 media houses and successfully transformed the way cement is promoted.

Even as the economic scenario of 2020-21 remains unpredictable, the Company plans to increase trade volumes, with 'Birla A1 StrongCrete' accounting for double-digit percentage of revenues; it also plans to further increase the aggregate contribution of PPC and the premium brand to the overall volume, increasing rural footprint and extending its association with the Premier Badminton League.

To strengthen relationships with channel partners, the Company intends to organise dealer meets and engagement, widen its digital footprint across social media platforms, develop a proprietary e-commerce facility and invest in digital PR campaigns.

LOGISTICS

In the cement industry, the inflow of resources on the one hand and the dispatch of cement on the other makes logistics a subject of utmost importance, the expense head

accounting for nearly ~25-30% of all expenditure within a cement company.

Your Company emphasized a prudent approach to moderate costs and enhance logistical effectiveness. It improved serviceability in the areas of its presence, reduced delivery turnaround time and focused on limiting the average delivery distance to within 300 kms from its plants.

Your Company also enhanced rail deliveries, leveraging competitive railway freights to reduce costs, while penetrating regions quicker and deeper. As a result, the Company increased rail dispatches to ~16% in FY20 compared to ~12% in FY19.

Besides, the Company optimized road-based deliveries through competitive freight negotiation, reverse logistics and increased direct dispatch. The Company also commissioned numerous new warehouses in prime markets to enhance product availability. It leveraged analytics to strengthen network optimization, which enhanced efficiencies.

Your Company is developing a platform to digitalize delivery acknowledgement and delivery proof, eliminating challenges faced by transporters and customers. The Company capitalized on changes in the axle load regulation to reduce road freights. The Company increased the roll-out of GPS-enabled trucks, increasing direct dispatches, while strengthening optimizer tools and vendor collaboration platforms. The result was that the Company's order execution time emerged as one of the best in the industry.

PROCUREMENT

In a business where 100 per cent of the Company's overall material and fuel consumption (excluding limestone) is procured from external suppliers, there is a need to enhance procurement quality and efficiency, making prudent resource procurement critical.

Over the years, your Company has entered into stable long-term contracts with select vendor partners for access to fuel and raw material, enhancing resource security on the one hand while enabling the Company to procure from wider markets to capture external cost arbitrage opportunities.

A growing generation and use of renewable, non-coal based energy sources in the country affected fly ash availability. The Company focused on the development of alternative resources and secured access to new sources. Even as mining bans by state governments affected the Company's access to bauxite, the Company contracted large volumes at a discount across extended periods.

During the year under review, the Company commenced independent third-party quality sampling. It moderated

fuel costs through purchases in the international market. It enhanced fuel flexibility to moderate exposure to expensive fuels and capitalize on cheaper alternatives.

The Company utilized multi-modal transportation modes for access to domestic pet coke, which optimised delivered costs to plants. It used SAP ARIBA procurement software to increase procurement transparency and enhance savings. By awarding all inward transportation and MRO contracts through SAP ARIBA, the Company moderated its costs appreciably. The use of alternative fuel sources enhanced asset utilization and cost optimization.

The Company maintained desired inventory levels, higher during the first and second quarter to counter monsoon-induced supply variations but moderated during the third and fourth quarters. It increased its dependence on rail transportation for inbound material movement during the year under review, improving delivery turnaround. Going forward, as international fuel prices stay depressed, a window of opportunity for cost arbitrage could emerge. Raw material prices are expected to remain benign. Despite the outbreak of the novel coronavirus and its impact on suppliers and domestic supply chains, the Company is optimistic of addressing raw material requirements on account of enduring and diversified supplier relationships.

SUSTAINABILITY

Environment: The cement industry accounts for ~8% of global carbon emissions, second only to the fossil-based energy sector. The cement industry is energy-intensive, and consumes diverse non-renewable natural resources. This reality has only enhanced a consumer preference for 'green' cement, putting a premium on environmentally-conscious manufacturer.

In view of this, your Company has prioritised environmental sustainability across its operations. The Company is a member of the Global Cement and Concrete Association (GCCA), committed to be at the forefront of sustainable movement. Your Company is one of most responsible cement companies, reflected in its accreditation with ISO 14001:2015 (Environment Management System) and ISO 45001:2018 (Occupational Health Safety Management System) certifications.

The Company's state-of-the-art Chittapur manufacturing unit comprises cutting-edge equipment, helping conserve energy. Even though the Company's Devapur and Jalgaon plants are relatively older, equipment and circuits were periodically replaced with energy-efficient alternatives. The Company's sustainable strategy is based on carbon reduction levers like improving energy efficiency, shift to low-carbon fuels, reduction of clinker factor, implementing new technologies and using alternative binding materials. The Company undertook initiatives to reduce electrical and thermal energy, moderating power and heat consumption across five years.

During the year under review, your Company undertook the following initiatives to moderate its carbon footprint:

- Identified and implemented energy conservation initiatives
- Replaced legacy equipment with energy-efficient alternatives
- Optimized the utilization of resources across plants
- Commenced the use of low-grade limestone, wherever advisable
- Reduced specific heat and energy consumption through process optimization

The Company is in advanced discussions to enter into a joint venture with AMP Solar India Pvt. Ltd. to commission a solar energy plant for its grinding unit in Jalgaon, following its decision to freeze investments in fossil-based captive power plants. It intends to reduce carbon emissions ~40% by FY2024 following the increased use of renewable energy, alternative fuels and waste heat recovery. It is committed to embrace a larger number of sustainability initiatives with the objective to address national and global aspirations by 2030.

India's cement sector is expected to play a crucial role in supporting the implementation of national Sustainability Development Goals. The Indian cement sector embarked on the first country-level SDG roadmap initiated by nine Indian cement companies including Orient Cement Limited, convened by the World Business Council for Sustainable Development (WBCSD).

Water consumption (cubic metres per metric tonne)

2016-17	2017-18	2018-19	2019-20
0.134	0.149	0.128	0.168

Water recycled (cubic metres)

2016-17	2017-18	2018-19	2019-20
60704	75040	85849	83676

Non-hazardous waste (metric tonne)

2016-17	2017-18	2018-19	2019-20
16455	19048	22223	17339

SO₂ emission trends (metric tonne)

2016-17	2017-18	2018-19	2019-20
1311.93	1847.69	1473.13	931.86

NO_x emission trends (metric tonne)

2016-17	2017-18	2018-19	2019-20
4888.65	6199.52	5200.98	1809.33

Number of trees/saplings planted

2016-17	2017-18	2018-19	2019-20
59322	26288	38180	49071

Health and safety: Your Company is convinced that the index of its success is enhanced safety across its manufacturing facilities. Over the years, the Company invested in state-of-the-art safety management systems and CCTV system across manufacturing plants supporting its comprehensive health and safety policy. The Company's impeccable safety record has been driven by safety committees across operational sites that ensure complete compliance.

During the year under review, your Company conducted classroom and on-the-job training for workmen covering monthly safety themes, road safety, awareness and behavior-based safety training. The Company conducted annual medical check-ups and provided medical treatment. The Company recorded zero accidents through the year and intends to implement digitization and video analytics to maintain its safety record.

HUMAN RESOURCES

In a business marked by volatile market conditions, specialized knowledge and emerging technologies, there is a premium on the need to recruit, train, develop and retain the best professionals. Over the years your Company strengthened its human capital through structured recruitment, skill building, talent management and career development.

As a result of the numerous engagement and trust building initiatives over the recent years, your Company has recently been certified a "Great Place to Work" based on a Company-wide survey conducted in March' 2020.

The Company has prioritized the personal development of its employees and the creation of a future-ready leadership team. The Company's talent management system identified high-potential employees, charted career paths, and developed the hi-pots through customized training. This helped the Company strengthen its internal talent pool and reduce its dependence on external recruitment. Besides, most HR processes and practices were digitized making them more efficient and user-friendly, enhancing employee engagement. The average employee age of 37 years represents a mix of experienced and young professionals.

The Company promoted gender diversity, as a result of which the percentage of women employees stood at ~4%. Nearly 15% of the senior management positions were occupied by women towards the end of the last financial year. The Company plans to increase the percentage of women employees to ~20% by 2023.

During the year under review, your Company undertook the following HR initiatives:

LEAP: The Company collaborated with Great Place To Work (GPTW) Institute with the objective to implement the best HR practices and bring about cultural transformation. LEAP is a rigorous development programme spanning 6 months, for seasoned experienced managers, to help them strengthen performance, trust and engagement within their teams. The Company already has 56 certified members, practicing the improved skills with their teams across functions.

Sammridhi: This platform strengthened a collaborative work culture wherein the HR team remained engaged with zonal offices, teams and dealers for a better regional market understanding. Employee engagement through this platform enabled the Company to strengthen relationships that enhanced sales engagement, team building and growth. Similarly, at Plants "People – Connect" initiative with similar concept is well established.

Talent Management Process: "Orient Khoj" our talent management process ensured a consistent availability of right people resources to help the Company's future-readiness. The result is timely succession plans, career paths and customised training for the identified talent pool.

Nava Vasantham: This behavioral programme addresses different cultural and behavioral issues of workmen covering softer training needs and ethical requirements.

Programme for workmen: Regular skill building programmes were conducted for employees drawn from villages in the proximity of the Company's plants, strengthening their fitness and development.

Revamped onboarding and induction: The Company strengthened people onboarding through a revamped process, with immersion into the Company's culture & values, sessions on products and services, plant-level induction and introduction to team members and senior leadership.

New Hands Meet: This platform ensured a smooth transition of new recruits into the Company through an introductory meeting with leaders, helping establish engagement, mutual respect and self-esteem.

Fit for Future: The Company's Fit for Future programme focuses on transformation within the sales team.

Going forward, the new HR focus has to be on addressing challenges arising out of the outbreak of the novel coronavirus, the emerging 'normal' of having to work from home, keeping the people engaged even as they don't interact in a physical office environment as hitherto, retaining employees, working on career paths and providing customised learning.

The Company's employee strength stood at 1250 as on 31st March, 2020.

RISK MANAGEMENT

Over the years, the Company has been strengthening its risk management processes with the objective of enhancing organisational stability and predictability.

Economic risk: Slowdown of the economy could have an adverse effect on the revenues of the Company.

Mitigation: Continuous tracking of the economic and social parameters (including the novel coronavirus), proactively responding with strategies to minimise business impact.

Credit risk: Delays in payments from customers and channel partners could disrupt cash flows.

Mitigation: The outbreak of the novel coronavirus could have an adverse effect on the customers and channel partners and their cash flows and financial health. Keeping this in mind, the Company has taken special timely initiatives to augment collections.

Procurement risk: Low resource quality or reduced availability could impact operations and profitability.

Mitigation: The Company introduced third-party quality sampling with penalties in case of any quality deviations. The Company is constantly exploring the use of alternative fuels to moderate operating costs. Challenges related to inconsistent fly ash availability were mitigated with alternative options (including bed fly ash and pond fly ash access). Erratic coal supply could increase production costs, which was mitigated through extensive engagement with coal suppliers and independent sampling to ensure sufficient availability of appropriate quality.

Competition risk: Increasing competition could affect the Company's market share.

Mitigation: The Company invested extensively to enhance the brand recall of Birla A1 brand with a greater emphasis on quality, cost, timely delivery, customer service, advertising and brand promotion, while strengthening institutional customer relationships. The Company maintained its brand visibility through dealer and retailer boards, in-shop branding, Company-owned hoardings, shop wall paintings and table-top gift items.

Health and safety risk: The labour-intensive cement industry is vulnerable to health and injury risks arising out of accidents.

Mitigation: The Company has a strict health and safety policy with safety committees across all operational sites to ensure that all safety measures are followed. The Company conducts safety training sessions, including virtual reality safety sessions to ensure that all employees are equipped with the required knowledge. As a result, the Company reported zero accidents during the course of the year under review.

Human resources risk: Inability to retain employees could affect performance.

Mitigation: The Company strengthened its people practices through increased employee engagement, training and a talent management framework to attract and retain talent, identify high-performers and develop a leadership pipeline.

CORPORATE SOCIAL RESPONSIBILITY

The Company believes that it is the responsibility of every responsible organisation to stay engaged with the communities around our establishments and invest in the society well-being and social infrastructure. Through corporate social responsibility initiatives, the Company seeks to create a symbiotic relationship with communities,

playing a significant role in their social and economic development. Your Company aligned CSR activities with business imperatives, focusing on healthcare, sanitation, education, infrastructure development, safe drinking water supply and sustainable livelihood creation in and around the areas of its operations. During the year under review, the Company invested ₹4.95 crore in CSR activities, accounting for 3.6% of profit before tax. All activities suggested by the CSR Committee were executed in time and assessed for outcomes.

Education: The Company runs a high school at its site at Devapur, providing quality education in English and Telugu. Beyond providing education to children of employees, it also provides quality education to local children from the nearby villages to give them a chance for better employability and social mobility. Besides, the Company assists Government schools and colleges in Mancherla in various ways. The Company established an English-medium CBSE-board school in Chittapur (260 students enrolled). The Company distributed free books and resources to underprivileged students and provided scholarships to the deserving. The Company provided 14 nos. computers to zilla parishad schools in Nashirabad and Jalgaon Khurd to facilitate computer literacy and on-line education.

Health and sanitation: The Company organised various health check-up camps in the vicinity of its plants, benefitting more than 2000+ people. It operates two dispensaries comprising 4 doctors and extended medical assistance to more than 39000 people across all locations in 2019-20. The Company also provided free ambulance service to patients in neighboring villages. It conducted health awareness campaigns, educating rural people in preventive health measures.

The Company is committed to eliminate open-defecation in and around the areas of its operations. It built 8 toilet blocks in Nashirabad and Jalgaon Khurd and conducted campaigns to enhance awareness of related risks.

Women empowerment: The Company makes sincere endeavours to promote gender-diversity. It organized women's literacy programmes in villages skirting the Chittapur plant comprising general education, financial skills and computer knowledge. These programmes countered long-standing rural myths related to women's education and employment.

Rural prosperity: The Company invested in rural infrastructure (rainwater harvesting structures, gabion structure, road construction, underground bandharas, dhyam kendra, sub-surface water dikes and sewage treatment plants). It

conducted vocational training for rural youth and farmer training on plantations and drip irrigation. The Company enhanced awareness of education benefits across the rural people. It assisted Vanavasi Kalyan Parishad, Bellampally, to ensure that tribal student interests were addressed.

To address the novel coronavirus risks, the Company is engaged with marginalized stakeholders and local residents, understanding and addressing their concerns.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

In line with the business requirements, scale of operations and applicable statutes, your Company has implemented necessary internal control systems to ensure that business is conducted in an efficient and orderly manner. The systems include a well-defined organisational structure, IT and ERP systems, delegation of authority (DOA), structured policies and procedures and segregation of key roles and responsibilities (SOD), along with a robust internal audit and controls framework.

Your Company strengthened internal financial controls and systems for the safeguarding of assets, prevention and detection of frauds and errors, accuracy of accounting records and timely Management Information System (MIS) to adhere to the Company's policies. The Company's structured governance, risk and compliance framework has matured. The Company's risk-based audit approach is focused on the Company's objectives and impediments to achieve objectives, with an emphasis on added value. The Company's Internal Financial Controls (IFC) framework and quarterly IFC assessments are carried out using the Controls Self-Assessment Tool, along with external assessments by audit partners. Half-yearly risk and mitigation assessment is reported using the Saksham ERM Tool. In addition, the Company's whistle-blower policy actively encourages reporting of any incidents of concern and investigates all allegations of violations in a comprehensive manner. Appropriate recommendations are followed up for rigorous implementation and all cases are reported to the Audit Committee of the Board.

The Company continually seeks to strengthen its internal control systems; it selected KPMG as its new internal audit partner. The Company introduced CCM (continuous control monitoring), wherein data analytics is targeted towards a specific area and the program is periodically run to detect exceptions. Various CCM scripts were shortlisted in the areas of capital expenditure, inventory, procurement, logistics, human resources and sales and plant operations. These initiatives were conducted quarterly to detect exceptions

and inconsistencies, providing the Company insights in outbound truck turnaround time, delays in clearing stock, vendor identification with different payment terms, dealing with different classes of items, procurement of materials, delays in capitalization and duplicate record elimination. The Company instituted auto-checks in its ERP systems to trigger real-time alerts, notifying discrepancies. Customized Management Information System and dashboards were designed to provide comprehensive data analytics covering all areas. The Company's comprehensive fraud risk framework helped detect and prevent fraudulent activities. The Company seeks to build strong processes and controls, integrating prevention, detection and response.

Looking ahead, your Company will strengthen its Continuous Control Monitoring (CCM) system and leverage data analytics and automation in audit procedures, by extending them to other areas. We see an increasing incidence in fraudulent activities and cyber-attacks following the outbreak of the novel coronavirus. The Company will place emphasis on

fraud vulnerability assessments and cyber security reviews to eliminate this threat. The Company will increase stakeholder awareness of governance, risk and compliance through training, workshops and culture-building.

CAUTIONARY STATEMENT

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

Corporate Governance Report

COMPANY'S GOVERNANCE PHILOSOPHY

The Board and Management team of Orient Cement Limited attach utmost importance to the principles of corporate governance and ensure that the highest standards of corporate governance are established and maintained in the Company on an ongoing basis to safeguard the long term interests of all stakeholders.

The Company is committed to adhering to corporate governance practices that are best in class in order to ensure healthy business fundamentals and deliver optimum performance under all circumstances.

The robust corporate governance framework that has been put in place enables Orient Cement to be managed effectively and ensures the integrity, transparency and fairness of all processes and practices aimed at creating and enhancing value for all stakeholders in a balanced and fair manner.

All corporate governance initiatives undertaken by the Company adhere to the sound principles of integrity, transparency, professionalism, trusteeship, accountability and corporate responsibility through relentless focus on these core principles:

- (a) **Transparency:** By classifying and explaining the Company's policies and actions to all those that are concerned, including its employees, the Company aims at maximum possible level of disclosures without hampering the interests of the Company and its shareholders. The Company believes in promotion of ethical values and behavior and setting exemplary standards in our conduct towards our business partners, colleagues, shareholders and the general public;
- (b) **Accountability:** The Company ensures that there is absolutely no compromise in the areas of accountability and responsibility even as it pursues growth;
- (c) **Professionalism:** The Company ensures that management teams across all levels are professionally qualified who have a clear understanding of their roles and are capable of exercising sound judgment, keeping in view the Company's interests, without being subject to undue influence from any external or internal pressure;

(d) **Trusteeship:** The Board considers itself a Trustee of the Company's shareholders and acknowledges its responsibilities towards them for creating and safeguarding their wealth. The Company constantly emphasizes the fiduciary role of the management to align and direct all actions of the organization towards creating lasting shareholder value;

(e) **Corporate Responsibility:** The Company includes sustainable development - environmental and social - as a key strategic objective which is enshrined in its core vision - 'Build Sustainably to be a Valued Partner in Progress';

(f) **Integrity:** Besides enforcing a demanding code of conduct for the employees, vendors and Board, the Company ensures the independent verification and truthful presentation of the Company's financial position and performance. For this purpose, the Company has constituted an Audit Committee which pays particular attention to the financial management and reporting process. A robust whistle-blower mechanism is also in force under the direct supervision of the Board.

This Report has been prepared in accordance with the requirements laid down under the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and with a view to meticulously attain the highest standards of governance.

BOARD OF DIRECTORS

Composition

The Board of Directors ("the Board") plays a fundamental role in upholding and nurturing the principles of good governance which translates into ethical business practices, transparency and accountability in the Company's dealing with its members and other stakeholders and the utilization of resources for creating sustainable growth and societal wealth. The Board operates within the framework of a well-defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company and all its stakeholders in a fair and transparent manner.

The Board of Directors is at the core of the Company's Corporate Governance practices and oversees how management serves and protects the long term interests of

its stakeholders. It brings in strategic guidance, leadership and an independent view to the Company's Management while discharging its fiduciary responsibilities, thereby, ensuring that Management adheres to highest standards of integrity, transparency and fairness.

Our policy towards the composition of the Board is to have appropriate professionalism, diversity, knowledge and experience in areas critical to the organization. This helps to drive value-based guidance whilst maintaining the independence of the Board and to separate its functions of Governance and Management.

The Company has a balanced Board with a combination of Executive and Non-Executive Directors to ensure

independent functioning and the current composition of the Board is in conformity with Regulation 17(1) of SEBI LODR Regulations.

As on March 31, 2020, the Board consists of 9 (nine) Members, of whom 1 (One) is an Executive Director i.e. Managing Director & CEO and 8 (eight) members are Non-Executive Directors. Amongst the 8 (eight) Non-Executive Directors, 6 (six) are Independent Directors including 1 (one) Woman Independent Director.

The size and composition of the Board conforms to the requirements of Regulation 17 of the SEBI LODR Regulations and the Companies Act, 2013. Other details relating to the directors as on March 31, 2020 are as follows:

Name of Director	Position held in the Company	Directorship in Companies@ (including Orient Cement)	Committee Membership in listed and unlisted Companies# (including Orient Cement)	Committee Chairmanship in listed and unlisted Companies# (including Orient Cement)
Mr. Chandrakant Birla (DIN 00118473)	Chairman, Non-Executive	8	-	-
Mr. Desh Deepak Khetrpal (DIN 02362633)	Managing Director & CEO-Executive	4	4	-
Mrs. Amita Birla (DIN 00837718)	Non-Executive	4	1	-
Mr. Rajeev Jhawar (DIN 00086164)	Non-Executive-Independent	6	3	-
Mr. Rabindranath Jhunjhunwala (DIN 00050729)	Non-Executive-Independent	3	2	-
Mr. Janat Shah (DIN 01625535)	Non-Executive-Independent	3	3	-
Mr. Swapan Dasgupta (DIN 07113693)	Non-Executive-Independent	1	2	-
Mr. I.Y.R. Krishna Rao (DIN 00481367)	Non-Executive-Independent	2	2	2
Mrs. Varsha Vasant Purandare (DIN 05288076)	Non-Executive-Independent	5	4	1

@ Excluding private limited companies, foreign companies, and companies formed under section 8 of the Act.

Represents membership/chairmanship of Audit Committee and Stakeholders Relationship Committee of Indian public limited companies-listed and unlisted (other than foreign companies, private limited companies, companies formed under section 8 of the Act).

Details of directorship of Directors of the Company as on March 31, 2020 in other listed entities:

Name of Director	Name of other listed entities in which Directors of the Company are Directors:	Category of Directorship
Mr. Chandrakant Birla	1. Orient Paper & Industries Limited 2. HIL Limited 3. Orient Electric Limited 4. Birlasoft Limited	Non-executive-Chairman Non-executive -Chairman Non-executive -Chairman Non-Executive
Mr. Desh Deepak Khetrpal	1. HIL Limited 2. Oriental Bank of Commerce 3. Orient Electric Limited	Non-Executive Independent Non-Executive
Mrs. Amita Birla	1. Birlasoft Limited	Non-Executive-Chairperson
Mr. Rajeev Jhawar	1. Usha Martin Limited	Executive
Mr. Rabindranath Jhunjhunwala	1. TCPL Packaging Limited	Independent
Mr. Janat Shah	1. Future Supply Chain Solutions Limited	Independent
Mr. Swapan Dasgupta	NIL	--
Mr. I.Y.R. Krishna Rao	NIL	--
Mrs. Varsha Vasant Purandare	NIL	--

None of the Directors on the Board of the Company is a Director in more than eight listed companies and is a member of more than ten committees and/or acts as a chairman/chairperson of more than five committees across all the listed companies in which he/she is a Director.

Further, no Independent Director serves in more than seven listed companies and no person who is serving as a Whole-time Director in a listed company is serving as an Independent Director in more than three listed companies.

Except Mrs. Amita Birla, a Non-Executive Director of the Company, who is the spouse of Mr. Chandrakant Birla, Chairman of the Company, no other director is related to another director.

A certificate from Balika Sharma & Associates (Membership No. 4816/Firm Registration No. 3222), practicing Company Secretary, to the effect that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority is attached at the end of this report.

Further in the opinion of the Board, the Independent Directors fulfil the conditions specified in these regulations and independent of the management.

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the business of the Company for it to function effectively and those actually available with the Board:

- (i) Leadership
- (ii) Management & operation of various Industrial Enterprises
- (iii) Expertise on various laws
- (iv) Expertise in Operations & Strategy formulation
- (v) Analytical skills
- (vi) Rich experience of administration, economics and finance fields.

Please refer section on 'Our Board of Directors' of the Annual Report for details of expertise held by Directors of the Company.

Disclosure regarding appointment or re- appointment of Directors

Every appointment/re-appointment made by the Board is recommended by the Nomination & Remuneration cum Compensation Committee after considering various factors such as qualifications, positive attributes, area of expertise and other criteria as laid down in the "Nomination & Remuneration Policy". The same is further taken for shareholders' approval, as and when required, under the provisions of the applicable laws.

As per the provisions of the Act, Mrs. Amita Birla is liable to retire by rotation at the ensuing Annual General Meeting. The Board has recommended the re-appointment of Mrs. Amita Birla as a director liable to retire by rotation in the Notice of ensuing Annual General Meeting.

During the financial year 2019-20, on the recommendation

of the Nomination & Remuneration cum Compensation Committee, the Board of Directors in their meeting held on March 23, 2020, approved the re-appointment of Mr. Desh Deepak Khetrapal (DIN 02362633) as the Managing Director & CEO of the Company w.e.f. April 1, 2020 for a period of 2 (two) years subject to approval of shareholders at the forthcoming Annual General Meeting. The Board has recommended the resolution for re-appointment of Mr. Desh Deepak Khetrapal, as the Managing Director & CEO of the Company, not liable to retire by rotation in the Notice of ensuing Annual General Meeting.

Mr. Swapan Dasgupta was appointed as Independent Director of the Company with effect from August 4, 2015 and in terms of the provisions of section 149(10) of the Companies Act, 2013, his first term of five consecutive years is expiring on August 3, 2020. In terms of the provisions of section 149(10), Mr. Swapan Dasgupta is eligible for re-appointment as Independent Director for another term of five years by passing special resolution in this regard. The Board has recommended the resolution for re-appointment of Mr. Swapan Dasgupta, as Independent Director not liable to retire by rotation in the Notice of ensuing Annual General Meeting.

A brief profile and other details relating to the Directors are furnished in the Annual Report.

None of the Directors are disqualified under section 164(2) of the Companies Act, 2013.

Board Functioning and Procedure

The Board of Directors is the apex body constituted by the members for overseeing the overall functioning of the Company. The Board provides and evaluates the strategic directions of the Company, Management's policies and their effectiveness and ensures that the long-term interests of the shareholders are being served.

The Board meets at least once in a quarter to review the performance of the Company and approves, inter alia, the financial results. Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, resolutions are passed by circulation. The Board oversees the process of disclosure and communication. Independent Directors are regularly updated on the performance of the Company, business strategy and new initiatives being taken/ proposed to be taken by the Company. The Board meetings of the Company are governed by a structured agenda. The Board meetings are generally held at the corporate office of the Company at Delhi. The Company Secretary in consultation with the Managing Director & CEO and Chief Financial Officer finalizes the agenda of the Board

meetings. All major agenda items are backed up by relevant and comprehensive background information, are sent well in advance of the date of the Board meeting(s) to enable the Board members to take informed decision. In case of exigencies/sensitive matters, the details are directly placed at the meeting, with the permission of the Chair. Any Board member may, in consultation with the Chairman and with the consent of all Independent Directors present at the meeting, bring up any matter at the meeting for consideration by the Board.

The Board periodically reviews the compliance status of all the laws applicable to the Company, as certified by the Chief Compliance Officer/ Company Secretary, as well as the steps undertaken to rectify instances of non-compliances, if any.

Information given to the Board

The Company provides the following information to the Board through the agenda papers, presentations and discussions:

- Annual operating plans and budgets and any update thereof;
- Capital budgets and any updates thereof;
- Annual Accounts, Half-yearly and Quarterly results of the Company;
- Updates on all projects, formation of new special purposes vehicles and any new business being undertaken;
- Minutes of the meetings of the Audit Committee and other Committees of the Board;
- Information on recruitment and remuneration of senior officers just below the level of the Board, including the appointment or removal of the Chief Financial Officer and the Company Secretary;
- Materially important show cause, demand, prosecution notices and penalty notices;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Any issue, which involves possible public or product liability claims of a substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;

- Significant labour problems and their proposed solutions. Any significant development on the human resources/ industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.;
- Sale of investments, assets which are material in nature and not in normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders services such as non-payment of dividend, delay in share transfer, etc.;

- Declaration of Dividend;
- General notices of interest of directors

Meetings of Board and attendance during the year

During the financial year under review, 5 (five) Board meetings were held. These were held on April 29, 2019, July 29, 2019, October 21, 2019, January 29, 2020 and March 23, 2020.

The following table gives the attendance record of the directors at the aforementioned Board Meetings and at the last Annual General Meeting, which was held on August 1, 2019.

Name of Director	No. of Board Meetings attended	Attendance at last AGM
Mr. Chandrakant Birla	5	No
Mr. Desh Deepak Khetrpal	5	Yes
Mrs. Amita Birla	3	No
Mr. Rajeev Jhawar	4	No
Mr. Rabindranath Jhunjhunwala	2	No
Mr. Janat Shah	5	No
Mr. Swapan Dasgupta	5	No
Mr. I.Y.R. Krishna Rao	5	Yes
Mrs. Varsha Vasant Purandare	5	Yes

COMMITTEES OF DIRECTORS

In terms of the SEBI LODR Regulations and the Act, the Board has constituted 5 (Five) Committees viz. Audit Committee, Nomination & Remuneration cum Compensation Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. Keeping in view the requirements of the Act as well as the SEBI LODR Regulations, the Board decides the terms of reference of these Committees. The recommendations, if any, of these Committees are submitted to the Board for approval.

Each of these Committees has the requisite expertise to handle issues relevant to their field. These Committees spend adequate time and give focused attention to the various issues placed before them. The guidance provided by these Committees provides immense value to and enhances the decision-making process of the Board. The Board reviews the functioning of these Committees from time to time.

(a) Audit Committee

Composition

As on March 31, 2020, Audit Committee comprised of the following members, namely:

- Mr. I. Y. R. Krishna Rao
- Mr. Desh Deepak Khetrpal
- Mr. Rajeev Jhawar
- Mr. Rabindranath Jhunjhunwala
- Mr. Janat Shah
- Mr. Swapan Dasgupta
- Mrs. Varsha Vasant Purandare

All members of the Committee are financially literate and have requisite accounting and financial management expertise. The Company Secretary acts as the Secretary of the Audit Committee.

Role and responsibility

Primarily, the Audit Committee is responsible for:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Reviewing the scope of the Statutory Auditors, the Annual Audit Plan and the Internal Audit Plan with a view to ensure adequate coverage.
- Reviewing the significant audit findings from the Statutory

and Internal audits carried out, the recommendations and management's response thereto.

- Reviewing and recommending to the Board the appointment/re-appointment of the Statutory Auditors and Cost Auditors considering their independence and effectiveness and their replacement and removal.
- Approving the appointment, removal and terms of remuneration of the internal Auditors.
- Reviewing and approving the related party transactions and also granting omnibus approval for related party transactions that are in the ordinary course of business and are on arm's length basis.
- Approving such additional services to be rendered by the

Statutory Auditors except those enumerated in section 144 of the Act and payment for such services.

- Recommending to the Board the remuneration of the Statutory Auditors/Cost Auditors.
- Discussing with the Statutory Auditors/ Internal Auditors any significant difficulties encountered during the course of the Audit.
- Reviewing annual Cost Audit Report submitted by the Cost Auditor.

Meetings of Audit Committee and attendance during the year

4 (Four) meetings of the Audit Committee were held during the financial year under review. These were held on April 29, 2019, July 29, 2019, October 21, 2019 and January 29, 2020.

The attendance of members of Audit Committee at the said meetings was as follows:

Name of the Member	Position	No. of meetings attended
Mr. I. Y. R. Krishna Rao	Chairman	4
Mr. Desh Deepak Khetrapal	Member	4
Mr. Rajeev Jhavar	Member	3
Mr. Rabindranath Jhunjhunwala	Member	2
Mr. Janat Shah	Member	4
Mr. Swapan Dasgupta	Member	4
Mrs. Varsha Vasant Purandare	Member	4

The Chairman of the Audit Committee, who is an Independent Director, was present at the Annual General Meeting of the Company held on August 1, 2019.

The Audit Committee meetings are also attended by the Chief Financial Officer, the representatives of the Statutory Auditors and the Internal Auditors, Group Internal Auditor and Head-Internal Audit of the Company. The representatives of the Statutory Auditors are permanent invitees to the meeting. They have attended all the meetings during the financial year. The Board has accepted all recommendations made by the Audit Committee.

(b) Nomination & Remuneration cum Compensation Committee

Composition

As on March 31, 2020, the Nomination & Remuneration cum Compensation Committee comprised of the following members:

- Mr. Rabindranath Jhunjhunwala
- Mr. Chandrakant Birla
- Mr. Rajeev Jhavar
- Mr. Janat Shah

(v) Mr. Swapan Dasgupta

(vi) Mrs. Varsha Vasant Purandare

The Company Secretary of the Company acts as the Secretary to the Committee.

Role and responsibility

Primarily, the Nomination & Remuneration cum Compensation Committee is responsible for:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down,
- Recommending to the Board, appointment and removal of directors and senior management,
- Formulating the criteria for evaluation of Independent directors and the Board and carrying out evaluation of every director's performance,
- Formulating the criteria for determining qualification, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees,

- Devising a policy on Board diversity;
- Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- To do such act as specifically prescribed by Board; and
- Carrying out functions, and is empowered to act, in terms of the Companies Act 2013, read with rules framed there under and SEBI (Listing Obligations and Disclosure

Requirements) Regulations, including any amendment or modification thereof.

Meetings of Nomination & Remuneration cum Compensation Committee and attendance during the year 4 (four) meetings of Nomination & Remuneration cum Compensation Committee were held during the financial year ended March 31, 2020. These were held on April 29, 2019, July 29, 2019, January 29, 2020 and March 23, 2020.

The attendance of members of Nomination & Remuneration cum Compensation Committee at the meeting was as follows:

Name of the Member	Position	No. of meetings attended
Mr. Rabindranath Jhunjhunwala	Chairman	3
Mr. Chandrakant Birla	Member	4
Mr. Rajeev Jhawar	Member	3
Mr. Janat Shah	Member	4
Mr. Swapan Dasgupta	Member	4
Mrs. Varsha Vasant Purandare	Member	4

(c) Stakeholders' Relationship Committee

The Company has constituted a Stakeholders' Relationship Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/ notices/ annual reports, etc.

Composition

As on March 31, 2020, the Stakeholders' Relationship Committee comprised of the following members, namely:

- Mr. Desh Deepak Khetrapal
- Mr. Rajeev Jhawar
- Mr. Swapan Dasgupta
- Mrs. Varsha Vasant Purandare

The Company Secretary of the Company acts as the Secretary to the Committee.

Contact details of the Secretary:

Ms. Nidhi Bisaria
 Company Secretary
 Birla Tower 3rd Floor,
 25, Barakhamba Road,
 New Delhi-110 001
 Telephone: 011- 42092253
 Email for investors: investors@orientcement.com

Role and responsibility

The Committee oversees the performance of the Registrar and Share Transfer Agent of the Company and recommends measures for the overall improvement in the quality of Investor Services.

The Committee reviews investor related issues and recommends measures to improve Investor Services.

Primarily, the Stakeholders' Relationship Committee is responsible for:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- Approving requests for security transfers, transmission and those pertaining to re-materialization of security/ sub-division/ consolidation/ issue of renewed and duplicate certificates etc.;
- Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of securities issued by the Company;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company;

- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- Carrying out any other function as specifically prescribed by Board of Directors, under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the Rules and Regulations made thereunder, each as and when amended from time to time.

The details of investors' complaints received and resolved during the financial year ended March 31, 2020:

No. of Investors' complaints received from April 1, 2019 to March 31, 2020	No. of Investors' complaints resolved from April 1, 2019 to March 31, 2020	No. of Investors' complaints pending as at March 31, 2020
106	106	NIL

Meetings of Stakeholders' Relationship Committee and attendance during the year

4 (Four) meetings of Stakeholders' Relationship Committee were held during the year ended March 31, 2020. These were held on April 29, 2019, July 29, 2019, October 21, 2019 and January 29, 2020.

The attendance of members of the Stakeholders' Relationship Committee at the said meetings was as follows:

Name of the Member	Position	No. of meetings attended
Mrs. Varsha Vasant Purandare	Chairperson	4
Mr. Desh Deepak Khetrapal	Member	4
Mr. Rajeev Jhawar	Member	3
Mr. Swapan Dasgupta	Member	4

(d) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Board has been constituted to oversee the Corporate Social Responsibility Policy of the Company and to recommend projects/ activities and the expenditure to be incurred on the activities, in accordance with the Schedule VII of the Act.

Composition

As on March 31, 2020, the Corporate Social Responsibility Committee comprised of the following members, namely:

- Mr. Janat Shah
- Mr. Desh Deepak Khetrapal
- Mr. Rabindranath Jhunjunwala
- Mr. I.Y. R. Krishna Rao

The Company Secretary of the Company acts as the Secretary to the Committee.

Role and responsibility

Primarily, the Corporate Social Responsibility Committee is

responsible for:

- Formulating and recommending to the Board, a Corporate Social Responsibility Policy that shall indicate the activities to be undertaken by the Company.
- Recommending the amount of expenditure to be incurred on the Corporate Social Responsibility activities.
- Monitoring the Corporate Social Responsibility Policy of the Company and its effective implementation from time to time.

The Corporate Social Responsibility Policy of your Company is available on the Company's website and can be accessed through the web link: <http://orientcement.com/investors/>.

Meetings of Corporate Social Responsibility Committee and attendance during the year

1 (One) meeting of Corporate Social Responsibility Committee was held during the financial year ended March 31, 2020 on April 29, 2019.

The attendance of members of the Corporate Social Responsibility Committee at the said meeting was as follows:

Name of the Member	Position	No. of meetings attended
Mr. Janat Shah	Chairman	1
Mr. Desh Deepak Khetrapal	Member	1
Mr. Rabindranath Jhunjunwala	Member	1
Mr. I.Y. R. Krishna Rao	Member	1

(e) Risk Management Committee

Composition

As on March 31, 2020, Risk Management Committee comprised of the following members, namely:

- (i) Mr. I. Y. R. Krishna Rao
- (ii) Mr. Desh Deepak Khetrapal
- (iii) Mr. Rajeev Jhawar
- (iv) Mr. Rabindranath Jhunjunwala
- (v) Mr. Janat Shah
- (vi) Mr. Swapan Dasgupta
- (vii) Mrs. Varsha Vasant Purandare

The Company Secretary acts as the Secretary of the Risk Management Committee.

Role and responsibility

The role and responsibility of the Risk Management Committee is to assist the Board of Directors in visualising both macro and micro risks that may impact the business of the Company including cyber security risks, design framework for efficacious management of risk, and review the risk management plan periodically.

Meetings of Risk Management Committee and attendance during the year

1 (One) meeting of the Risk Management Committee was held during the financial year under review on October 21, 2019.

The attendance of members of Risk Management Committee at the said meetings was as follows:

Name of the Member	Position	No. of meetings attended
Mr. I. Y. R. Krishna Rao	Chairman	1
Mr. Desh Deepak Khetrapal	Member	1
Mr. Rajeev Jhawar	Member	1
Mr. Rabindranath Jhunjunwala	Member	-
Mr. Janat Shah	Member	1
Mr. Swapan Dasgupta	Member	1
Mrs. Varsha Vasant Purandare	Member	1

MANAGEMENT COMMITTEES

With a view to have a close focus on various facets of the business risks and compliances, the management has constituted the following Committees viz Governance, Risk & Compliance Committee (GRCC), responsible for ensuring effective roll-out of the Risk Management Programme; and Steering Committee, responsible for ensuring effective roll-out of the Compliance Management Program.

(a) The Governance Risk and Compliance Committee

The Company has in place a mechanism to inform the Audit Committee and Board members about the risk assessment and mitigation plans and periodical reviews through the Governance Risk and Compliance Committee ("GRCC") to ensure that critical risks are monitored and mitigated by the management. Business Risk Evaluation and Management is an ongoing process within the Company. The Company has a robust management framework to identify, monitor, mitigate and minimize risks and also identify business opportunities.

The GRCC has been constituted to identify and periodically review all the risks faced by the Company and to provide

operational and policy guidance to the Company for effective risk management.

Composition

As on March 31, 2020, the GRCC comprised of following members, namely:

- (i) Managing Director & CEO
- (ii) Chief Financial Officer,
- (iii) Chief Operating Officer,
- (iv) Head-Human Resources

The Committee meets as and when required.

Role and responsibility

Primarily, the GRCC is responsible for:

- Understanding of various risks which could impact the Company.
- Understanding and managing the uncertainties which impact Company's performance.
- Identifying risks and promoting a pro-active approach to mitigate / manage such risks.
- Contributing to safeguard Company's interests and those of its various stakeholders.
- Ensuring that sound business opportunities are identified

and pursued without exposing the business to an unacceptable level of risk.

- Allocating adequate resources to mitigate and manage risks and minimise their adverse impact on outcomes.
- Communicating this policy to the concerned stakeholders through suitable means and periodically reviewing its relevance in a continuously changing business environment.

The Company has not identified any risk which, in the opinion of the Board, may threaten the existence of the Company.

(b) Steering Committee

Recognizing the importance of compliance with various laws and regulations, the Company constituted a Steering Committee on May 8, 2015.

The Steering Committee plays an important role in building a regime of zero tolerance to any form of non-compliance.

Composition

As on March 31, 2020, the Steering Committee comprised of following members, namely:

- Chief Financial Officer
- Chief Operating Officer
- Head – Human Resource
- Chief Compliance Officer
- Company Secretary

The Committee meets as and when required.

Role and responsibility

Primarily, the Steering Committee is responsible for:-

- Identification of necessary compliances
- Prioritization of compliances and fixing ownership of compliances
- Monitoring of compliances
- Remedial actions in case of non-compliances

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

The Nomination & Remuneration cum Compensation Committee has adopted a Policy which, inter alia, deals with

the manner of selection of Board of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Nomination & Remuneration Policy for Directors, Key Managerial Personnel and Senior Management Personnel has been annexed at the end of this Report as **Annexure 'I'**.

Criteria for selection of Directors

- The Nomination & Remuneration cum Compensation Committee identifies and ascertains the integrity, qualification, expertise and experience of the person for appointment as director and ensures that the candidate identified possesses adequate qualification, expertise and experience for the appointment as a Director.
- The Nomination & Remuneration cum Compensation Committee ensures that the candidate proposed for appointment as director is compliant with the provisions of the Act and of the SEBI Regulations.
- The candidate's appointment as recommended by the Nomination & Remuneration cum Compensation Committee requires the approval of the Board.
- In case of appointment of Independent Directors, the Nomination & Remuneration cum Compensation Committee satisfies itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The Nomination & Remuneration cum Compensation Committee ensures that the candidate identified for appointment as a director is not disqualified for appointment under section 164 of the Act.

REMUNERATION OF DIRECTORS

Remuneration of Managing Director & CEO

The Company pays remuneration to its Managing Director & CEO by way of salary and other benefits as per the terms agreed with the Company. The remuneration is approved by the Board of Directors and is within the overall limits approved by shareholders of the Company.

Remuneration paid/ accrued to the Managing Director & CEO for the financial year ended March 31, 2020 is as follows:

Name	Salary and allowances (₹)*	Annual performance variable pay** (₹) and performance criteria	Perquisite (₹)	Retiral Benefits (₹)	Total (₹)	Stock Options granted	Notice Period	Severance Pay
Mr. Desh Deepak Khetrpal	8,28,33,840/- p.a.	1,75,95,000/- (Managing Director & CEO's performance and Company's performance)	12,00,000/- p.a.	1,14,51,600/- p.a.	11,30,80,440/- p.a.	8,31,900 No. of options	Three months	Nil

* Salary and allowances includes ₹7,80,000/- towards encashment of earned leave for 9 days for 2018-19 as per policy of the Company.

** Annual Performance variable pay is as accrued for the financial year 2019-20.

Proposed remuneration of the Managing Director & CEO for shareholders' approval for the financial year ended March 31, 2021 is as follows:

Name	Salary and allowances (₹)*	Annual performance variable pay in ₹ and performance criteria*	Perquisite (₹)	Retiral Benefits (₹)	Total (₹)	Stock Options granted**	Notice Period	Severance Pay
Mr. Desh Deepak Khetrpal	7,25,83,296/- p. a.	1,12,29,500/-	12,00,000/- p. a.	1,14,51,600/- p. a.	9,64,64,396/- p. a.	8,31,900 No. of options	Three months	Nil

Apart from this, Mr. Desh Deepak Khetrpal-Managing Director & CEO is eligible for earned leave/ leave encashment as per the policy of the Company.

* The Annual performance variable pay can be paid upto 120% of ₹1,12,29,500/- on achieving certain additional criteria as specified by the Nomination & Remuneration cum Compensation Committee of the Company from time to time.

** Exercise price per share is ₹135/- per share for exercising each option. The vesting date of the first tranche has commenced on August 4, 2018 and for the second tranche has commenced on August 4, 2019. The vested options shall have to be exercised within 4 years from the date of vesting.

Remuneration of Non-Executive Directors

Remuneration of the Non-Executive Directors of the Company by way of sitting fees and commission is decided by the Board of Directors. Payment of commission to Non-Executive Directors is determined by the Board and is broadly based on attendance, contribution at the Board Meetings and various Committee Meetings as well as time spent on various issues other than routine matters, at these meetings.

The details of sitting fees, commission paid to directors and their shareholding as on March 31, 2020 are as follows:

S. No.	Name of director	Sitting fees (₹)*	Commission (₹)	Shareholding (Nos.)
1.	Mr. Chandrakant Birla	7,00,000/-	12,50,000/-	31,53,570
2.	Mr. Desh Deepak Khetrpal	NA	NA	-
3.	Mrs. Amita Birla	3,00,000/-	12,50,000/-	3,88,000
4.	Mr. Rajeev Jhavar	11,00,000/-	12,50,000/-	-
5.	Mr. Rabindranath Jhunjhunwala	6,00,000/-	12,50,000/-	-
6.	Mr. Janat Shah	12,50,000/-	12,50,000/-	-
7.	Mr. Swapan Dasgupta	14,00,000/-	12,50,000/-	-
8.	Mr. I.Y.R. Krishna Rao	10,50,000/-	12,50,000/-	-
9.	Mrs. Varsha Vasant Purandare	14,00,000/-	12,50,000/-	-

* For attending the Board Meetings, Audit Committee Meetings, Stakeholders Relationship Committee Meetings, Corporate Social Responsibility Committee Meeting, Nomination & Remuneration cum Compensation Committee Meetings, Risk Management Committee Meeting and separate Meeting of Independent Directors.

The Company has not granted stock options to non-executive directors.

Apart from receiving directors' remuneration, no director except Mr. Rabindranath Jhunjhunwala, who is partner in Khaitan & Co., LLP and Khaitan & Co. had any pecuniary relationship with the Company. The transactions entered into with Khaitan & Co. LLP and Khaitan & Co., during the financial year 2019-20 were in ordinary course of business and at arms' length basis.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Act and SEBI LODR Regulations, the Board has carried out the performance evaluation of its own performance, the directors individually, chairman as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration cum Compensation Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee. The performance evaluation was done using questionnaires, covering amongst others, composition of Board, receipt of regular inputs and information, functioning, performance & structure of Board Committees, skill set, knowledge and expertise of directors, preparation and contribution at Board Meetings, leadership etc. The performance evaluation of the respective Committees and that of Independent and Non-independent Directors was done by the Board excluding the director being evaluated.

INDEPENDENT DIRECTORS' MEETING

1 (One) meeting of the Independent Directors of the Company was held on October 21, 2019 without the

attendance of Non-Independent Directors and Members of management. Independent Directors discussed the matters specified in Schedule IV of the Act and SEBI LODR Regulations.

The salient roles and responsibilities associated with the Independent Directors Meeting include, but are not limited to the following:

- (a) Review the performance of Non-independent Directors and the Board of Directors as a whole;
- (b) Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- (c) Assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

The performance evaluation of Non-independent Directors, the Chairman and the Board was done by the Independent Directors using individual questionnaires, covering amongst others, composition of Board, receipt of regular inputs and information, functioning, performance and structure of Board Committees, skill set, knowledge and expertise of directors, preparation and contribution at Board meetings, leadership, etc. As part of the performance evaluation process, the performance evaluation of Non-independent Directors, the Chairman and the Board was done by the Independent Directors.

GENERAL BODY MEETINGS

(a) Location and time of last three Annual General Meetings are as under:

Financial year	Date	Day	Time	Venue	Special resolutions passed
2016-17	September 23, 2017	Saturday	2:00 P.M	Unit-VIII, Plot No.7, Bhoinagar, Bhubaneswar-751012, Odisha	(i) Waiver of recovery of excess remuneration paid to Mr. Desh Deepak Khetrapal, Managing Director & CEO of the Company for the financial year 2016-17 (ii) Approval of the terms of remuneration of Mr. Desh Deepak Khetrapal, Managing Director & CEO (iii) Conversion of loan into equity (iv) Increase in borrowing limits

Financial year	Date	Day	Time	Venue	Special resolutions passed
					(v) Creation of Charges / Mortgages on the movable and immovable properties of the Company, both present and future, in respect of borrowings
					(vi) Raising of funds through issuance of securities
2017-18	August 17, 2018	Friday	2:00 P.M	Unit-VIII, Plot No.7, Bhoinagar, Bhubaneswar-751012, Odisha	(i) Approval of the terms of remuneration of Mr. Desh Deepak Khetrpal, Managing Director & CEO (ii) Raising of funds through issuance of securities
2018-19	August 1, 2019	Thursday	2:00 P.M	Unit-VIII, Plot No.7, Bhoinagar, Bhubaneswar-751012, Odisha	(i) Re-appointment of Mr. Janat Shah (DIN 01625535) as an Independent Director (ii) Re-appointment of Mr. Rabindranath Jhunjhunwala (DIN 00050729) as an Independent Director (iii) Re-appointment of Mr. Rajeev Jhawar (DIN 00086164) as an Independent Director (iv) Approval of the terms of remuneration of Mr. Desh Deepak Khetrpal, Managing Director & CEO (DIN 02362633)

(a) Extraordinary General Meeting (EGM)

During the financial year, no Extraordinary General Meeting was held.

(c) Details of resolution passed through postal ballot, the person who conducted the postal ballot exercise and details of the voting pattern

During the financial year, no resolution was put through Postal Ballot. Further, none of the business proposed to be transacted at the ensuing Annual General Meeting requires to be transacted through Postal Ballot.

MEANS OF COMMUNICATION

Results: The financial results are generally published in 'Business Standard' in English and 'Utkal Mail' in vernacular language.

Website: The financial results are posted on the Company's website viz. www.orientcement.com.

News Release, Presentations: The press releases/official news, detailed presentation made to media, analysts,

institutional investors etc. are displayed on the Company's website. Official Media Releases are also sent to the stock exchanges before dissemination to the media.

Intimation to the Stock Exchanges: The Company intimates the Stock Exchanges on all price sensitive information or such other matters which in its opinion are material and of relevance to the Investors.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Designated Exclusive email-id: The Company has designated the following email-id for investor servicing: investors@orientcement.com. Investors can also mail their queries to Registrar and Share Transfer Agent at einward.ris@kfintech.com.

GENERAL SHAREHOLDER INFORMATION

Financial Year

The financial year covers the period starting from 1st April and ending on 31st March.

Financial Calendar

Board Meeting for consideration of unaudited quarterly results	Within forty five days from the end of the quarter, as stipulated under the SEBI LODR Regulations.
Board Meeting for consideration of audited results	Within sixty days from the end of the last quarter, as stipulated under the SEBI LODR Regulations. However, for the financial year ended March 31, 2020, SEBI vide its circular dated March 19, 2020 extended this timeline upto June 30, 2020.
Book Closure date	Saturday, July 25, 2020 to Friday July 31, 2020 (both days inclusive).
Dividend payment date	On or before 10 th August, 2020 (for electronic payment) For shareholders whose bank account mandates are not updated with the Company, 'payable - at - par' warrants or cheques shall be sent by speed post upon normalization of postal services in terms of SEBI Circular dated May 12, 2020.
Day, date, time and venue of Annual General Meeting	Friday, July 31, 2020, at 11:00 a.m. through video conferencing in terms of Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 05, 2020, issued by Ministry of Corporate Affairs.

Listing

Equity Shares of the Company are currently listed on the following Stock Exchanges:

BSE Limited (BSE)

1st Floor, New Trading Ring, Rotunda Building, P.J. Tower, Dalal Street, Fort, Mumbai – 400001

National Stock Exchange of India Limited (NSE)

Exchange Plaza, C-1, Block G, 5th Floor, Bandra Kurla Complex, Bandra (E), Mumbai – 400051

The annual listing fees for the financial year 2019-20, as applicable, have been paid to both BSE and NSE. The Company's stock codes are:

BSE 535754

NSE ORIENTCEM

Payment of Depository fees

Annual Custody/Issuer fee for the financial year 2019-20 has been paid by the Company to NSDL and CDSL. The ISIN No. of the Company on both NSDL and CDSL is INE876N01018.

Payment of fees to Statutory Auditors

During the financial year ended March 31, 2020, the Company has paid the following amounts (excluding applicable taxes) to M/s S.R. Batliboi & Co. LLP, Chartered Accountants, Statutory Auditors of the Company, its affiliate firms and other firms in the network entity of which the Statutory Auditor is a part:

a) Fees for audit and related services	80.25 lacs
b) Other fees	13.75 lacs
Total	94.00 lacs

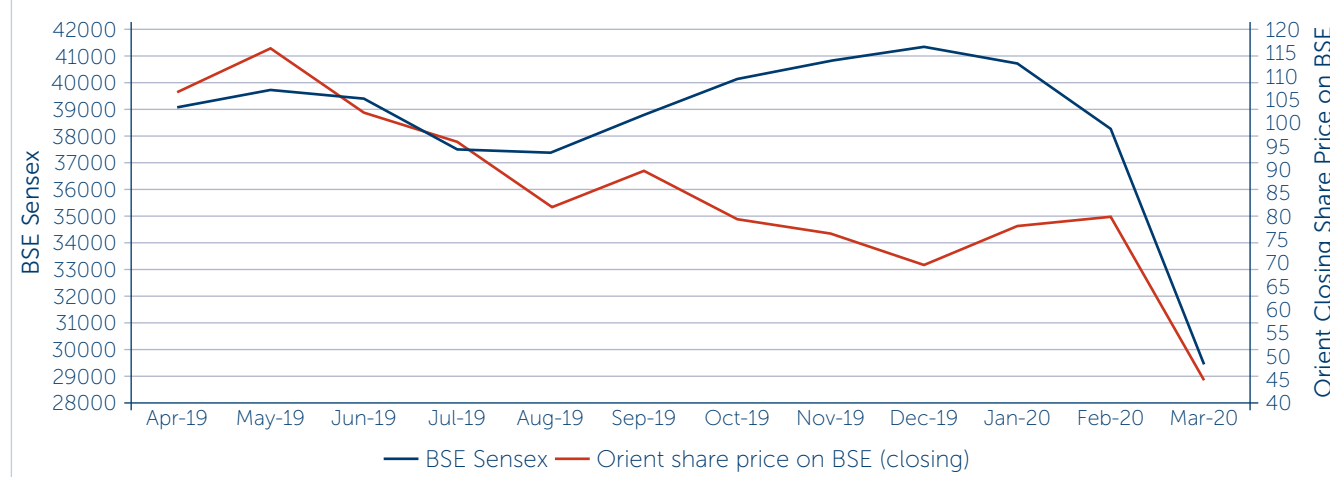
Market price data Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) (April 2019-March 2020)

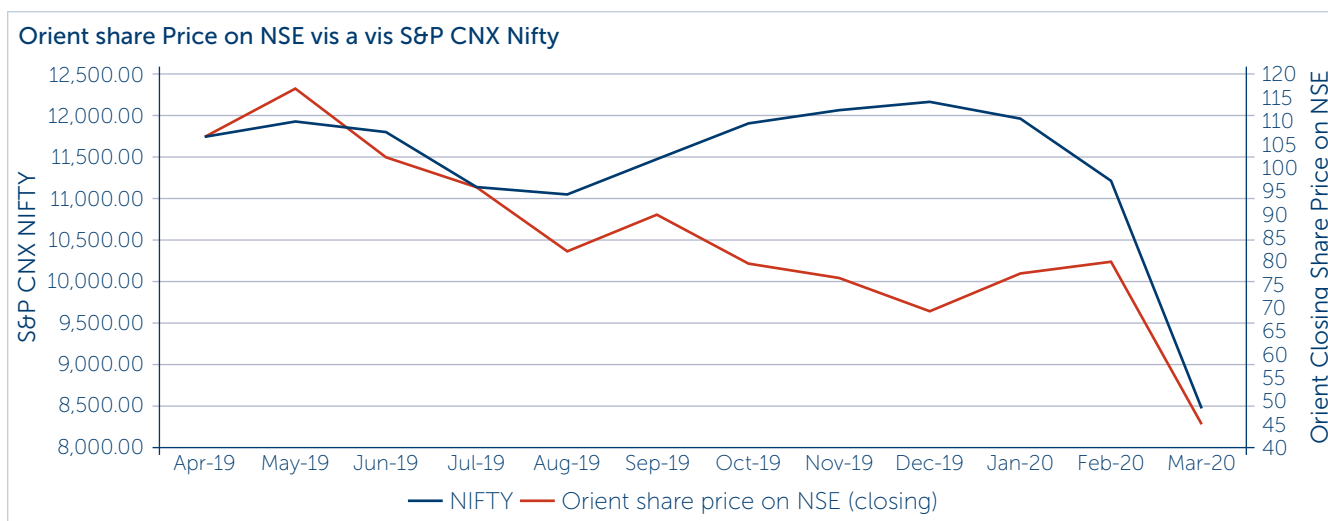
Month	BSE		NSE	
	High Price (Rupees)	Low Price (Rupees)	High Price (Rupees)	Low Price (Rupees)
April 2019	117.00	81.25	116.40	81.25
May 2019	124.00	97.45	124.00	97.55
June 2019	125.00	99.70	121.50	99.55
July 2019	112.70	93.25	112.60	93.25
August 2019	95.90	78.45	96.00	78.00
September 2019	99.90	79.00	100.10	79.05
October 2019	91.05	76.00	91.80	76.20
November 2019	84.00	73.00	83.65	73.15
December 2019	77.05	66.60	77.00	65.80
January 2020	87.95	70.40	88.00	69.50
February 2020	89.70	72.00	90.00	71.80
March 2020	81.65	35.85	82.20	35.60

Performance in comparison to BSE Sensex and S&P CNX Nifty

Month	BSE (Closing price) (Rupees)	BSE Sensex (Closing)	NSE (Closing price) (Rupees)	S&P CNX Nifty (Closing)
April 2019	106.95	39,031.55	106.65	11,748.15
May 2019	116.15	39,714.20	116.80	11,922.80
June 2019	102.30	39,394.64	102.20	11,788.85
July 2019	95.80	37,481.12	95.85	11,118.00
August 2019	81.70	37,332.79	81.90	11,023.25
September 2019	89.75	38,667.33	89.85	11,474.45
October 2019	79.45	40,129.05	79.45	11,877.45
November 2019	76.05	40,793.81	76.15	12,056.05
December 2019	69.65	41,253.74	69.30	12,168.45
January 2020	77.40	40,723.49	77.25	11,962.10
February 2020	79.65	38,297.29	79.65	11,201.75
March 2020	44.65	29,468.29	44.70	8,597.75

Orient share Price on BSE vis a vis BSE Sensex





Share Transfer system and other related matters

The Company's shares are traded on the Stock Exchanges, compulsorily in dematerialized mode. The dematerialized shares are transferred directly to the beneficiaries by the depositories. Share transfer forms (SH-4) for shares held in physical mode which are received by the Company, complete in all respects are promptly processed and the share certificates are returned to the transferees within a period of fifteen days from the date of receipt of transfer. Share transfer forms which are incomplete or where the Company has noticed irregularities in the document are immediately returned to the transferees.

Members holding shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of

the transferor(s), transferee(s), surviving joint holders / legal heirs be submitted to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

The shareholders holding shares in physical form are requested to get their shares dematerialized at the earliest, as the Company's shares are required to be compulsorily traded at Stock Exchanges in dematerialized form only.

The Company obtains half-yearly certificate of compliance related to the share transfer formalities from a Company Secretary in Practice as required under SEBI LODR Regulations and files a copy of the certificate with the Stock Exchanges on or before the due date.

Shareholding Pattern as on March 31, 2020

S.No.	Category	Number of shares held	Percentage of shareholding
(A)	Shareholding of Promoter and Promoter Group		
1.	Indian	7,65,49,922	37.37
2.	Foreign	-	-
	Total shareholding of Promoter and Promoter Group	7,65,49,922	37.37
(B)	Public shareholding		
1.	Institutions	7,30,09,968	35.64
2.	Central Government/ State Government(s)/ President of India	-	-
3.	Non-Institutions	5,53,08,870	27.00
	Total Public Shareholding	12,83,18,838	62.63
(C)	Shares held by Custodians and against which Depository Receipts have been issued		
1.	Promoter and Promoter Group	-	-
2.	Public	-	-
	TOTAL (A) + (B) + (C)	20,48,68,760	100.00

Distribution of shareholding as on March 31, 2020

From-To	No. of shares	Percentage of total no. of shares
	Number	%
1-500	33,08,378	1.61
501-1000	20,03,944	0.98
1001-2000	20,91,492	1.02
2001-3000	13,68,681	0.67
3001-4000	9,05,442	0.44
4001-5000	11,11,624	0.54
5001-10000	28,83,308	1.41
10001-50000	59,82,819	2.92
50001-100000	23,22,829	1.13
Above 100001	18,28,90,243	89.27
Total	20,48,68,760	100.00

Dematerialization of shares and liquidity

Trading in equity shares of the Company is permitted only in dematerialized form. To facilitate trading in equity shares of the Company in dematerialized form, the Company has made arrangements with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders can open an account with any Depository Participant registered with one of these two depositories.

Members holding shares in physical mode are urged in their own interest to hold these shares in dematerialized form with any Depository Participant.

As on March 31, 2020, 99.41% of the equity shares of the Company are held by 31,160 equity shareholders in the dematerialized form and the balance 0.59% is held by 411 equity shareholders in physical form.

Entire equity shareholding of the promoters in the Company is held in dematerialized form.

Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, conversion date and likely impact on equity

The Company has not issued any GDRs/ ADRs/ Warrants etc., during the financial year 2019-20.

As on March 31, 2020, a total of 11,06,000 options were outstanding under "Orient Cement Employee Stock Option Scheme 2015". Each option is convertible into one equity share of ₹1 each.

Commodity price risk or foreign exchange risk and hedging activities

The Company is not exposed to foreign exchange risk and

commodity price risk. Further, the Company is not carrying out any hedging activities.

Plant Locations

The Company's plants are located at:

Devapur:

P.O. Devapur Cement Works, Dist. Adilabad - 504218 (Telangana)

Jalgaon:

Nashirabad, Dist. Jalgaon (Maharashtra)

Chittapur:

Village: Itaga, Malkhaid Road, Taluka Chittapur, Dist. Kalburagi, Karnataka - 585292

Credit Ratings

The Company has received the following ratings from CARE Ratings Limited on the debt instruments of the Company:

Facilities	Rating
Long term Bank facilities	CARE AA-(Double A minus stable)
Commercial Paper (CP) issue	CARE A1+(A One Plus)

There is no change in the said ratings during the financial year 2019-20.

Registrar and Share Transfer Agent

KFin Technologies Private Limited (*formerly Karvy Fintech Private Limited*) is acting as the Registrar and Share Transfer Agent (RTA) of the Company for handling the shares related matters both in physical as well as dematerialized mode.

Shareholders are therefore, advised to send all their correspondence directly to the RTA. The address for communication is:

KFin Technologies Private Limited
(formerly Karvy Fintech Private Limited)
Unit: Orient Cement Limited
6F – 025, 6th Floor, Selenium (Tower B),
Gachibowli, Financial District, Nanakramguda,
Hyderabad – 500 032
Toll Free No. 1800-3454-001
Email: einward.ris@kfintech.com

However, for the convenience of shareholders, correspondence relating to shares received by the Company is forwarded to the RTA for necessary action thereon.

Address for correspondence with the Company

Ms. Nidhi Bisaria
Company Secretary

Birla Tower 3rd Floor, 25, Barakhamba Road,
New Delhi-110 001
Telephone: 011 42092253

Exclusive email id for investors

The Company has designated an e-mail ID to enable the Members and Investors to correspond with the Company. The e-mail ID is investors@orientcement.com.

GO GREEN INITIATIVE

To contribute towards a greener environment, the Company proposes to send documents like Shareholders Meeting Notice/other Notices, Audited Financial Statements, Directors' Report, Auditors' Report or any other document, to Members in electronic form at the e-mail address provided by them and/ or made available to the Company by the Depositories.

The shareholders having shares in physical form are requested to register their e-mail addresses with us or our Registrar, at the address given in this report, to enable us to send any document, notice, communication, annual report, etc. through e-mail.

The shareholders holding shares in dematerialized form are requested to register their e-mail addresses with their respective Depository Participant for the above purpose.

COMMUNICATION BY MEMBERS

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain their Demat Account(s) for queries relating to shareholding, change of address, updation of bank details for electronic credit of dividend, etc. However, queries relating to non-receipt of dividend or non-receipt of annual reports of the Company should be addressed to the Company.

Members who hold shares in physical form should address their queries to the RTA/Company for change of address, change in bank details, processing of unclaimed dividend, issue of duplicate share certificates signed by the first named Member, as per the specimen signature registered with the Company. The RTA/Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as certified copies of PAN Cards and other proof of identity and/or address.

Members are requested to indicate their DP ID & Client ID / Ledger Folio number in their correspondence with the RTA/Company and also to provide their email addresses and telephone numbers to facilitate prompt response from the Company.

CHANGE OF ADDRESS

Members holding equity share(s) in physical form are requested to notify the change of address/dividend mandate, if any, to the Company's Registrar & Share Transfer Agent, at the address mentioned above.

The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding equity share(s) in dematerialized form are requested to submit their PAN and notify the change of address/dividend mandate, if any, to their respective Depository Participant (DP). Members holding shares in physical form can submit their PAN and notify the change of address/dividend mandate, if any, to the Company/Registrar & Transfer Agent.

PENDING INVESTORS' GRIEVANCES

Any Member / Investor, whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary with a copy of the earlier correspondence.

DISCLOSURES

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large

All the transactions entered into with Related Parties as per the Act and Regulation 23 of the SEBI LODR Regulations during the financial year 2019-20 were in the ordinary course of business and on an arm's length basis and do not attract provisions of section 188 of the Act. Further, there was no material related party transaction which required shareholders' approval and was required to be disclosed quarterly along with the compliance report on Corporate Governance.

The required statements / disclosures with respect to the related party transactions are placed before the Audit Committee on regular basis. Suitable disclosures as required by the Accounting Standards have been made in the notes to the Financial Statements.

Further, the Company has not entered into any transaction of a material nature with Promoters, the Directors or the Management or relatives etc. that may have any potential conflict with the interest of the Company.

The Company's policy relating to the dealing with Related Party Transactions is uploaded on the website of the Company and can be accessed through the web link: <http://orientcement.com/investors/>.

(b) Disclosures on material, financial and commercial transactions, where Senior Management have personal interest that may have a potential conflict with the interest of the Company

No transaction has been entered into during the financial year where Senior Management has personal interest that may have a potential conflict with the interest of the Company.

(c) Non-compliance by the Company, penalties, strictures imposed by the Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets during the last three years

Neither any penalty nor any stricture has been imposed by SEBI, Stock Exchanges or any other Statutory Authority on any matter relating to capital markets, during the last three years.

(d) Whistle Blower and Vigil Mechanism Policy

As per section 177 of the Act and Regulation 22 of SEBI LODR Regulations a comprehensive Whistle Blower Policy ("Policy") has been approved and implemented within the organization. The Policy enables the stakeholders (including directors, individual employee(s) and their representative bodies, vendors and suppliers) to report concerns about illegal or unethical practices, unethical behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. Adequate safeguards are provided against victimization to those who avail of the mechanism and access to the Chairman of the Audit Committee in exceptional cases. This Policy safeguards whistleblowers from reprisals or victimization. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

The Whistle Blower Policy is available on Company's website and can be accessed through the web link:

<http://orientcement.com/investors/>.

It is hereby confirmed that no personnel has been denied access to the Audit Committee.

The contact details of the Designated Officer for vigil mechanism is:

Company Secretary
E-mail ID-whistleblower@orientcement.com

The contact details of the Chairman of the Audit Committee for Vigil Mechanism are:

Chairman of the Audit Committee
Birla Tower 3rd Floor, 25, Barakhamba Road,
New Delhi-110 001

(e) Compliance with mandatory requirements

The Company has complied with all the mandatory requirements of SEBI LODR Regulations.

(f) Compliance with non-mandatory provisions

The Board – The Chairman of the Company is a Non-Executive Director and does not maintain the Chairman's office at the Company's expenses.

Shareholders Rights – As per SEBI LODR Regulations, the financial results were made available on the Company's website www.orientcement.com.

Audit Qualifications – There was no qualification by the Auditors on the financial statements of the Company.

Separate posts of Chairman and CEO – The Company has separate posts of Chairman and Managing Director & CEO.

Reporting of Internal Auditor – The Audit Committee is briefed through discussions and presentations of the observations, review, comments, recommendations etc. through an Internal Audit presentation made by the Internal Auditor of the Company.

(g) Disclosure of accounting treatment in preparation of financial statements

The Company has followed the guidelines of Accounting Standards notified under the Act as laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements. The significant accounting policies which are consistently applied have been set out in the "Notes to the financial statements".

WEBSITE

The Company is maintaining a functional website viz: www.orientcement.com and is disseminating the following information on its website, as required under SEBI LODR Regulations:

- Details of its business;
- Terms and conditions of appointment of Independent Director;
- Composition of various committees of Board of Directors;
- Code of conduct of Board of Directors and Senior Management Personnel;
- Whistle Blower Policy;
- Policy on dealing with related party transactions;
- Policy for determination of Materiality of Event;
- Archival Policy;
- Dividend Distribution Policy;
- Nomination & Remuneration policy for Directors, KMPs & Senior Management;
- Corporate Social Responsibility Policy;
- Code of Practices and Procedures for UPSI;
- Details of familiarization programs imparted to the Independent Directors;
- Email address for grievance redressal and contact information of Compliance Officer
- Financial information including notice of meeting of Board of Directors to be held for discussion of financial results and annual reports and
- Shareholding pattern

NOMINATION FACILITY

The shareholders holding shares in physical form may, if they so want, send their nomination(s), as per section 72 of the Act read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, in form SH-13, which can be obtained from the Company's Registrar and Share Transfer Agent. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail the Nomination facility.

RECONCILIATION OF SHARE CAPITAL AUDIT

As required by Securities Exchange Board of India, quarterly

audit of the Company's share capital is being carried out by Company Secretary in Practice with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Company files this audit report with the Stock Exchanges on or before the due date.

DIVIDEND AND OTHER RELATED MATTERS

The Company provides the facility for direct credit of the dividend to the members' bank account. SEBI LODR Regulations also mandate Companies to credit the dividend to the Members electronically. Members are therefore urged to avail of this facility to ensure safe and speedy credit of their dividend into their bank account through the banks' "Automated Clearing House" mode. Members who hold shares in dematerialized mode should inform their Depository Participant, whereas members holding shares in physical form should inform the Company of the banking account details allotted to them by their bankers. In cases where the banking details are not available, the Company will issue dividend warrants to the members.

Further, the Company is required to transfer dividends which have remained unpaid / unclaimed for a period of seven years from the date the dividend has become due for payment to the Investor Education & Protection Fund (IEPF) established by the Government. During the year no unclaimed dividend was due for transfer to IEPF. The information on unclaimed dividend is posted on the website of the Company www.orientcement.com.

UNCLAIMED SHARES

The Company has opened a Demat Suspense Account- "ORIENT CEMENT LTD-UNCLAIMED SUSPENSE ACCOUNT" and unclaimed equity shares have been transferred to this Account of the Company and shall be transferred to the concerned shareholder upon making a claim to the Company or its Registrar & Transfer Agent. Details of the account as on March 31, 2020 are as under:

S.No.	Description	Number of Shares / Shareholders
1.	Total number of shareholders in the Suspense Account at the beginning of the financial year, i.e. April 1, 2019	165
2.	Total number of outstanding equity shares in the Suspense Account lying at the beginning of the financial year, i.e. April 1, 2019	7,32,180

S.No.	Description	Number of Shares / Shareholders
3.	Number of shareholders who approached the Company for transfer of shares and to whom shares were transferred from Suspense Account during the financial year	-
4.	Number of shares transferred from Suspense Account to Beneficiary Account during the financial year	-
5.	Total number of shareholders in the Suspense Account at the end of the financial year, i.e March 31, 2020	165
6.	Total number of outstanding equity shares in the Suspense Account lying at the end of the financial year, i.e. March 31, 2020	7,32,180

Further, the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Members may note that the lawful claimant in respect of these shares will be able to claim such shares and the dividend thereof till such time as they remain in the "ORIENT CEMENT LTD-UNCLAIMED SUSPENSE ACCOUNT".

CODE OF CONDUCT

The Company has also adopted a Code of Conduct ("Code") for the Members of the Board of Directors and Senior Management, and all the directors and Senior Functionaries as defined in the said Code. The Code provides their annual confirmation of compliance with the Code. The Code is available on Company's website and can be accessed through the web link: <http://orientcement.com/investors/>. The role and responsibilities of Independent Directors as prescribed in Schedule IV of the Companies Act, 2013 and/or prescribed in SEBI LODR Regulations forms part of the appointment letters issued to the Independent Directors.

POLICIES & CODE AS PER SEBI INSIDER TRADING REGULATIONS

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and approved (i) an Insider Trading Code to regulate dealing in the securities of the Company by Designated Persons in compliance with the regulations; and (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information.

The Company's Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is available on Company's website <http://www.orientcement.com/wp-content/uploads/2016/05/Code-of-Practices-and-Procedures-for-Fair-Disclosure-of-UPSI.pdf>.

BOARD FAMILIARIZATION PROGRAM

A formal letter of appointment is given to Independent Directors at the time of their appointment detailing the

terms and conditions of their appointment, expectations, roles, functions, duties and responsibilities. At the Board and Committee meetings, the Independent Directors are familiarized with the Company's business performance, operations, projects, market share, financial parameters, working capital management, fund flows, change in senior management, major litigation(s), compliance(s) etc. They are also appraised about risk assessment and mitigation processes.

With a view to familiarize the Independent Directors with the Company's operations, the Managing Director & CEO has a personal discussion with the newly appointed director. The above initiatives help the director to understand the Company, its business and the regulatory framework in which the Company operates and equips him / her to effectively fulfil his / her role as a director of the Company.

The details of programs for familiarization of the Independent Directors are available on the Company's website and can be accessed through the web link: <http://orientcement.com/investors/>.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Company has constituted Internal Complaints Committee which is responsible for redressal of complaints related to sexual harassment.

The details of the number of cases filed under Sexual Harassment and their disposal, during the financial year 2019-20 is as under:

Number of cases pending as on the beginning of the financial year	Nil
Number of complaints filed during the financial year	Nil
Number of cases pending as on the end of the financial year	Nil

CEO/CFO CERTIFICATION

The Managing Director & CEO and Chief Financial Officer certification as stipulated in the Regulation 17(8) of SEBI LODR Regulations was placed before the Board along with financial statement(s) for the year ended March 31, 2020. The Board reviewed and took the same on record. The said certificate forms part of the Annual Report.

By order of the Board of Directors
For Orient Cement Limited

CK. Birla
Chairman
(DIN 00118473)

Place: New Delhi
Date: May 22, 2020

Certificate

Under Regulation 34(3) read with Schedule V (C) (10)(i) of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015

On the basis of the confirmations received from the Directors of Orient Cement Limited (CIN: L26940OR2011PLC013933) having Registered office at Unit VIII, Plot No. 7, Bhoinagar, Bhubaneswar, Odisha-751 012, we hereby confirm that:

As on March 31, 2020, none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Balika Sharma & Associates
Company Secretaries

FCS No: 4816
C.P. No: 3222

UDIN F004816B000249665

Date: 22.05.2020
Place: New Delhi

Nomination & Remuneration Policy

1. INTRODUCTION

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that shareholders remain informed and confident in the management of the Company. To harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations"), this policy on nomination and remuneration of Directors (including non-executive directors) of the Board of Directors, the Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors. This Policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors (including non-executive directors), Key Managerial Personnel and Senior Management Personnel.

2. OBJECTIVE OF THE POLICY

- (a) The objective of this Policy is to outline a framework to ensure that the Company's remuneration levels are aligned with industry practices and are sufficient to attract and retain competent directors on the Board, KMPs and the Senior Management Personnel of the quality required, while allowing fair rewards for the achievement of key deliverables and enhanced performance. The key objectives of this Policy include:
- (i) guiding the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
 - (ii) specifying the manner for effective evaluation of the performance of the members of the Board individually, Board as a whole and Committees thereof, and review its implementation and compliance.
 - (iii) recommending to the Board the remuneration, in whatever form, payable to the Directors, Key Managerial Personnel and Senior Management.

- (b) While determining the remuneration for the Directors (including non-executive directors) and KMPs and the Senior Management Personnel, regard should be made to prevailing market conditions, business performance and practices in comparable companies, also to financial and commercial health of the Company as well as prevailing laws and government/other guidelines, to ensure that pay structures are appropriately aligned and the level of remuneration remain appropriate.
- (c) While designing the remuneration package it should be ensured:
 - (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person, to ensure the quality required to run the Company successfully;
 - (ii) there is a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (d) Some part of the remuneration package may be linked to the achievement of corporate performance targets of the Company and a strong alignment of interest with stakeholders.
- (e) The Committee may consult with the chairman of the Board as it deems appropriate.
- (f) The Committee shall observe the set of principles and objectives as envisaged under the Companies Act, 2013 ("Act") (including section 178 thereof), rules framed there under and the Listing Regulations including, inter-alia, principles pertaining to determining qualifications, positive attributes, integrity and independence.
- (g) In this context, the following policy adopted by the Board of Directors at its meeting held on November 5, 2014 and further amended by the Board of Directors at its meeting held on March 22, 2019.

3. EFFECTIVE DATE

This policy shall be effective from the date of its adoption by the Board. Any amendment to this Policy shall be effective from the effective date of such amendment as specified in the applicable law/regulations or as specified by the Board.

4. DEFINITIONS

- (a) In this Policy unless the context otherwise requires:
- (i) 'Board of Directors' or 'Board', in relation to the Company, means the collective body of the directors of the Company.
 - (ii) 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
 - (iii) 'Company' means "Orient Cement Limited".
 - (iv) 'Independent Director' means a director referred to in section 149(6) of the Companies Act, 2013 read with regulation 16(1)(b) of the Listing Regulations.
 - (v) 'Key Managerial Personnel' (KMP) shall have the meaning ascribed to it in the Act and the Rules made thereunder.
 - (vi) 'Non-Executive Directors' includes Independent Directors.
 - (vii) 'Policy' means this Nomination and Remuneration policy.
 - (viii) 'Senior Management Personnel' shall mean officers/ personnel of the Company who are members of its core management team excluding Board of Directors. It would comprise all members of management one level below the chief executive officer/ managing director/whole-time director/manager (including chief executive officer/ manager, in case they are not part of the Board of Directors), and shall specifically include Company Secretary and Chief Financial Officer.
- (b) Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and/ Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

5. APPLICABILITY

This Policy is applicable to:

- (i) Directors, including Non- Executive Directors
- (ii) Key Managerial Personnel
- (iii) Senior Management Personnel

6. MEMBERSHIP

- (a) The Committee shall consist of such number of directors as is required under applicable laws.

(b) Membership of the Committee shall be disclosed in the Annual Report and on the website of the Company.

(c) Term of the Committee shall be continuous unless terminated by the Board of Directors.

7. CHAIRMAN

- (a) Chairman of the Committee shall be an Independent Director.
- (b) Chairperson of the Company (whether executive or non executive) may be appointed as a member of the Committee but shall not be the Chairman of the Committee.
- (c) Chairman of the Nomination and Remuneration Committee meeting shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

8. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such intervals as may be required.

9. COMMITTEE MEMBERS' INTERESTS

- (a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- (b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

10. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

11. QUORUM

The quorum necessary for transacting business at a meeting of the Committee shall be two members or one-third of the members of the Nomination and Remuneration Committee; whichever is greater.

12. VOTING

- (a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present. Any such decision shall for all purposes be deemed a decision of the Committee.
- (b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

13. RESPONSIBILITY OF THE COMMITTEE

- (a) The Committee is responsible for:
- (i) formulating criteria for determining qualifications, positive attributes and independence of a Director for the purpose of this Policy;
 - (ii) advising the Board on issues concerning principles for remuneration and other terms of employment including remuneration for the Directors (including Non-Executive Directors), KMPs and the Senior Management Personnel;
 - (iii) monitoring and evaluating programs for variable remuneration, both on-going and those that have ended during the year, for the Directors (including Non-Executive Directors), KMPs and the Senior Management Personnel;
 - (iv) monitoring and evaluating the application of this Policy;
 - (v) monitoring and evaluating current remuneration structures and levels in the Company; and
 - (vi) any other responsibility as determined by the Board.

14. APPOINTMENT OF DIRECTORS, KMP OR SENIOR MANAGEMENT PERSONNEL

- (a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP and Senior Management level.
- (b) A person should possess adequate qualifications, expertise and experience for the position he/ she is considered for appointment as a Director, Key Managerial Personal or Senior Management Personnel. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- (c) Appointment of Directors, KMP's and Senior Management Personnel are subject to compliance of provisions of the Companies Act, 2013 and compliance of Listing Regulations.
- (d) The appointment as recommended by the Nomination and Remuneration Committee further requires the approval of the Board.

15. REMUNERATION

- (a) Remuneration to Executive Directors, Directors other than Executive Director and KMP:

- (i) The remuneration/ compensation/ commission etc. to Directors and KMP will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- (ii) The remuneration and commission to be paid to Directors shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under/and or Listing Regulations for the time being in force.
- (iii) Increments to the existing remuneration/ compensation structure of Directors and KMP shall be recommended by the Committee to the Board which should be within the slabs approved by the shareholders in the case of Directors.
- (iv) Where any insurance is taken by the Company on behalf of its Directors and KMP for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- (v) Remuneration to Executive Director and KMP

Fixed pay:

- Executive Directors and KMP shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the NRC Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder and /or Listing Regulations for the time being in force.
- The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Variable components:

- The Executive Director and KMP participate in a performance linked variable pay scheme which will be based on the individual and Company's performance for the year, pursuant to which the Executive Director and KMP are entitled to performance-based variable remuneration.

Remuneration to Directors other than Executive Director:

Sitting Fees:

- The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.
- Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

Limit of Remuneration /Commission:

- Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
- The approval of shareholders by way of special resolution shall be obtained every year, in case the annual remuneration payable to a single Non-executive Director exceeds fifty percent of the total annual remuneration payable to all Non-Executive Directors, giving details of remuneration thereof.

Reimbursement of expenses:

- The Non-executive Directors shall be reimbursed with the expenses incurred by them in connection with Board and Committee meetings.

(vi) Provisions for excess remuneration:

- If any Director draws or receives, directly or indirectly by way of remuneration any such sum in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction as may be required under the Companies Act, 2013, he / she shall refund such sum to the Company within such time as may be specified by the Committee/ Board of Directors and until such sum is refunded, hold it in trust for the Company.

(b) Remuneration to Senior Management Personnel:

- The Managing Director is authorised to determine from time to time the remuneration payable to Senior Management Personnel including their increments subject to ratification by the Nomination and Remuneration Committee and the Board of Directors in their next meeting.
- The Board, on the recommendation of the Committee, shall review and approve/ratify the

remuneration payable to the Senior Management Personnel of the Company, which shall include remuneration payable, in whatever form.

(iii) Where any insurance is taken by the Company on behalf of its Senior Management Personnel for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(iv) Remuneration to Senior Management Personnel may consist of the following components:

Fixed pay:

- Senior Management Personnel shall be eligible for a monthly remuneration as may be recommended by the NRC Committee and approved by the Board of Directors in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee.

Variable components:

- The Senior Management Personnel participate in a performance linked variable pay scheme which will be based on the individual and Company's performance for the year, pursuant to which the Senior Management Personnel are entitled to performance-based variable remuneration.

16. EVALUATION OF PERFORMANCE OF DIRECTORS, BOARD AS A WHOLE AND COMMITTEES THEROF

Independent Directors shall annually (a) review the performance of Non-Independent Directors and the Board as a whole; and (b) review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

The Board of Directors (with the individual director being evaluated recusing himself/ herself at the relevant time) shall also annually review the performance of individual Directors, Board as a whole and its Committees.

This evaluation will be based on the responses of individual

Directors / Committee Members on the structured questionnaires.

The Committee shall review the implementation and compliance of the evaluation system followed by the Board and the Independent Directors.

17. POLICY ON BOARD DIVERSITY

- (a) The Board of Directors shall have the optimum combination of Directors from the different areas/ fields like production, management, quality assurance, finance, sales and marketing, research and development, Human Resources etc. or as may be considered appropriate.
- (b) The Board shall have at least one Board member who has accounting or related financial management expertise.

18. REMOVAL

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP and Senior Management subject to the provisions and compliance of the applicable Act, rules and regulations, if any.

19. DISCLOSURE OF INFORMATION

This Policy shall be disclosed in the Board's report.

20. DEVIATION FROM THE POLICY

The Board may, in individual or collective case, deviate from this Policy, in its absolute discretion, if there are particular reasons to do so. In the event of any departure from the Policy, the Board shall record the reasons for such departure in the Board's minutes.

21. AMENDMENTS TO THE POLICY

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

CEO & CFO Certification

To
The Board of Directors,
Orient Cement Limited

We the undersigned, in our respective capacities as Managing Director & CEO and Chief Financial Officer of Orient Cement Limited ("the Company") certify that:

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2020 and that to the best of our knowledge and belief, we state that:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- (d) We have indicated, wherever applicable, to the Auditors and the Audit Committee:
- (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

For Orient Cement Limited

D. D. Khetrpal
(Managing Director & CEO)
(DIN 02362633)
Place: New Delhi

S. Bhattacharya
(Chief Financial Officer)
(FCA- A059004)
Place: Hyderabad

Date: May 22, 2020

Compliance with Code of Conduct

To,
The Board of Directors,
Orient Cement Limited

In compliance with the requirements of Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby confirmed that all the Board members and the Senior Management Personnel have confirmed compliance with the Company's Code of Conduct for Directors and Senior Management for the financial year ended March 31, 2020.

For Orient Cement Limited

D. D. Khetrpal
(Managing Director & CEO)
(DIN 02362633)

Date: May 22, 2020
Place: New Delhi

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Members of Orient Cement Limited

1. The Corporate Governance Report prepared by Orient Cement Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock exchange.

MANAGEMENT'S RESPONSIBILITY

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

AUDITOR'S RESPONSIBILITY

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion as to whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) and the Guidance Note on Certification of Corporate Governance (Revised), both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special

Purposes (Revised) requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
- i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors as on March 31, 2020 and verified that atleast one independent woman director was on the Board of Directors throughout the year;
 - iv. Obtained and read the minutes of the following committee meetings / other meetings held between April 01, 2019 to March 31, 2020:
 - (a) Board of Directors;
 - (b) Audit Committee;
 - (c) Annual General Meeting (AGM);
 - (d) Nomination and Remuneration Committee;
 - (e) Stakeholders Relationship Committee;
 - (f) Risk Management Committee; and
 - (g) Corporate Social Responsibility Committee
 - v. Obtained necessary declarations from the directors of the Company.

- vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
 - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this Report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

OPINION

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information

and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 4 above.

OTHER MATTERS AND RESTRICTION ON USE

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Kumar Agarwal
Partner

Membership Number: 060352
UDIN: 20060352AAAABQ7288

Place of Signature: Kolkata
Date: May 22, 2020

Business Responsibility Report for the Financial Year 2019-20

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L26940OR2011PLC013933		
2.	Name of the Company	Orient Cement Limited		
3.	Registered address	Unit –VIII, Plot No. 7, Bhoinagar, Bhubaneswar-751012, (Odisha)		
4.	Website	www.orientcement.com		
5.	E-mail id	soumitro.bhattacharyya@orientcement.com		
6.	Financial year reported	April 1, 2019- March 31, 2020		
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)			
	Group	Class	Sub class	Description
	239	2394	23941	Manufacture and sale of cement
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company manufactures cement of two kinds viz: Ordinary Portland Cement (OPC) and Pozzolana Portland Cement (PPC)		
9.	Total number of locations where business activity is undertaken by the Company			
	(a) Number of International Locations (Provide details of major 5)	NIL		
	b) Number of National Locations	13 States		
10.	Markets served by the Company – Local/State/ National/International	National		

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	₹2,048.69 lacs
2.	Total Turnover (INR)	₹2,42,179.72 lacs
3.	Total profit after taxes (INR)	₹8,658.97 lacs
4.	Total spending on Corporate Social Responsibility (CSR)	The Company has spent ₹495.14 lacs during the financial year 2019-20 on CSR activities
5.	List of areas in which expenditure in 4 above has been incurred:	<ul style="list-style-type: none"> a. Healthcare, b. Infrastructure development and c. Education

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	No
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	N.A.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The suppliers, vendors, agents, consultants, contractors and third parties (more than 60%), who have business relationships with the Company, are contractually bound to abide by the Code of Conduct, Whistle Blower Policy and performance standards. In this capacity they are involved and participate in the Business Responsibility initiatives of the Company.

SECTION D: BR INFORMATION
1. Details of Director/Directors responsible for BR
(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1.	DIN	02362633
2.	Name	Mr. Desh Deepak Khetrapal
3.	Designation	Managing Director & CEO

(b) Details of the BR head

1.	DIN (if applicable)	N.A
2.	Name	Mr. Soumitra Bhattacharyya
3.	Designation	Chief Financial Officer
4.	Telephone number	040-23688788
5.	e-mail id	soumitro.bhattacharyya@orientcement.com

2. Principle-wise (as per NVGs) BR Policy/ policies (Reply in Y/N):

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:-

- P1** Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3** Businesses should promote the well-being of all employees.
- P4** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5** Businesses should respect and promote human rights.
- P6** Businesses should respect, protect and make efforts to restore the environment.
- P7** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8** Businesses should support inclusive growth and equitable development.
- P9** Businesses should engage with and provide value to their customers and consumers in a responsible manner.

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Y	Y Note-1	Y	Y	Y	Y	Note-7	Y	Note-8
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y		Y	
3.	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Y	Y Note-2	Y	Y Note-3	Y	Y		Y Note-4	
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Note-5	-	N	Y	N	N		Y	
5.	Does the Company have a specified committee of Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y		Y	

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Indicate the link for the policy to be viewed online?	*	**	-	#	##	***	Note-7	#	Note-8
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y		Y	
8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y		Y	
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y		Y	
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y Note-6	Y	N	Y	Y	Y		Y	

If answer to Sr. No. 1 against any principle is 'No', please explain why (tick up to 2 options)

- The Company has not understood the principles.
- The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.
- The Company does not have financial or manpower resources available for the task.
- It is planned to be done with in next six months.
- It is planned to be done with in next one year.
- Any other reason.

*<http://www.orientcement.com/wp-content/themes/orient/assets/pdfs/Acrobat-Document.pdf>

**<http://www.orientcement.com/sustainability/>

<http://www.orientcement.com/wp-content/uploads/2016/05/Corporate-Social-Responsibility-Policy.pdf>

<http://www.orientcement.com/wp-content/uploads/2018/03/OCL-Human-Rights-Policy.pdf>

***<http://www.orientcement.com/sustainability/>

Note-1: The policy is embedded in the Company's quality and environment policies which inter alia, relate to safe and sustainable products.

Note-2: Bureau of Indian Standards(BIS)

Note-3: The policy conforms to guidelines of Companies Act, 2013. In addition, the Policy is also in conformity with the Sustainable Development Goals.

Note-4: The policy conforms to guidelines of Companies Act, 2013. In addition, the Policy is also in conformity with the Sustainable Development Goals.

Note-5: The Code of Conduct for Directors and Senior Management and the Whistle Blower Policy of the Company are approved by the Board of Directors of the Company and are signed by the Managing Director & CEO of the Company.

Note-6: Compliance reports from designated employees are evaluated by the Internal Auditors and are placed before the Audit Committee for review.

Note-7: The need for a formal policy was not identified.

Note-8: The need for a formal policy was not identified. However, the Company has a systematic process for assessing customer needs. It also has a customer complaint redressal system.

<p>3. Governance related to BR</p> <p>(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year</p> <p>(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?</p>	<p>The Managing Director & CEO of the Company assesses the BR performance of the Company on a quarterly basis.</p> <p>This Report forms part of the Annual Report and is placed before the Board of Directors for approval.</p> <p>The Company will publish the Business Responsibility Report in accordance with SEBI guidelines and it will form part of the Annual Report.</p> <p>The Report is available on the Company's website: www.orientcement.com and will be published annually.</p>
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SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1- ETHICS, TRANSPARENCY AND ACCOUNTABILITY

- 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/ Joint Ventures/Suppliers/Contractors/ NGOs/ Others?**

The Company does not have a separate policy relating to ethics, bribery and corruption. However, the policy is embedded in the Company's Codes of Conduct (Code of Conduct for Employees, Code of Conduct for Directors and Senior Management and Supplier Code of Conduct), Whistle Blower Policy, HR policies and various HR practices. The provisions of these Codes and the Whistle Blower Policy are a mandatory condition for the award of any contract as well as initiating or maintaining a business relationship with Orient Cement.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the financial year 2019-20, the Company received total of 16 complaints related to ethics, bribery, and corruption. 15 complaints were successfully resolved during the year as on March 31, 2020 through appropriate grievance redressal mechanisms. 1 out of the 16 complaints received in Feb 2020 has been investigated and corrective action needs to be taken.

Apart from this, the Company received 106 queries/complaints from the shareholders of the Company, mainly on account of non-receipt of annual report, non-receipt of dividend, non-receipt of share certificates, etc. during the financial year 2019-20, which were resolved during the year. No complaint was pending from previous financial year.

Principle 2- SUSTAINABILITY IN LIFE-CYCLE OF PRODUCT AND SERVICES

- 1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

Orient cement manufactures mainly two principal products i.e., Ordinary Portland Cement (OPC) and Pozzolana Portland Cement (PPC). Further, under OPC, two grades are manufactured viz 43 and 53 and under Pozzolana Portland Cement, ordinary PPC and Strongcrete are being produced and marketed in all locations. (both these come under the purview of blended cements)

As a responsible corporate, the Company is committed to sustainable development and understands its obligations relating to social and environmental concerns. The Company continually seeks ways to conserve the environment and manage finite resources responsibly.

The Company is continually improving its performance in terms of Production efficiency, Energy consumption and its Environmental KPIs through progressive replacements with energy efficient equipment and optimizing its resources.

At Orient Cement, we integrate responsible sustainable practices into business operations that aim at environment sustainability and inclusive growth. We adopt a pro-active and responsible approach and consciously try to mitigate any impact of our operations on the environment. We also aim at prudent and frugal use of non-renewable natural resources, reducing emissions as well as targeted investments in efficient and viable technologies that benefits sustainable development. As a result of this responsible and pro-active approach, the Company is one of the most efficient manufacturers of cement in

India in terms of power and fuel consumption.

The Company follows and upgraded the Management systems on continuous basis towards goal of sustainability:-

- a) The Devapur, Chittapur and Jalgaon units are certified with integrated management systems (Quality- ISO 9001:2015, Environment- ISO 14001:2015 and Energy Management System ISO 50001:2011).
- b) All the units have been upgraded Occupational Health & Safety Management system from OHSAS 18001 to ISO 45001:2018 version which is a robust management system.
- c) Energy conservation initiatives, replacement with energy efficient equipment, optimisation of process parameters, optimum utilisation of resources implemented across the plants towards sustainable reduction of GHG emissions.
- d) Towards Carbon reduction footprint, in addition to above initiatives, OCL explored for new Alternate Fuels like plastic material, tuar husk etc., apart from rice husk, carbon black, solid & liquid hazardous waste utilising in process to substitute the consumption of fossil fuel/ coal. New plastic shredder procured and installed to increase the usage of plastic materials in the process.
- e) Orient Cement uses fly ash (as a waste material from thermal power plants) to manufacture Pozzolana Portland Cement (PPC) as an environment friendly practice and promoting a circular economy.
- f) Water conservation initiatives implemented through optimisation & preventive measures in usage of water in process, rain water harvesting pits, check dams, mined out pits for its use in the operations, augmentation of ground water level and support the local biodiversity.
- g) All pollution control equipment follow strict protocols on preventive maintenance. All raw materials which come inside the plant are stored under covered shed.
- h) Orient Cement believes, follows the continuous development of green belts for pollution abatement, support to the local biodiversity and increasing the aesthetic and scenic beauty of the plants/ mines site.
- i) Installed & maintained Continuous Emission Monitoring System for all the major stacks of cement plants and CPP (Captive Power Plant). Continuous Ambient Air Quality Monitoring System for ambient

air quality measurement has been carried out for regular assessment of emissions.

- j) All conveyor belts are covered with sheds to control fugitive emission.

2. For each such product, provide the details in respect of resource use (energy, water, raw material etc.), reduction during sourcing/production/distribution achieved since the previous year throughout the value chain and reduction during usage by consumers (energy, water) achieved since the previous year?

The Company has constantly putting the efforts towards improving resource efficiency, conservation of energy (electrical & thermal) and water and upkeep of equipment conditions. We are closely monitoring & working on improving/ reducing our raw materials, energy consumption, water consumption, resource efficiency and utilization of waste as fuel and which is reflecting on our footprint. The Company's relentless focus on improving its operating efficiencies has helped progress towards being among the lowest specific thermal and electrical energy power consumption in the industry as part of our "best in class" manufacturing practices.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

The Company's integrated plants are situated close to limestone mines which help to minimize transportation cost. The Company deploys sustainable mining practices. The Company utilizes chemical gypsum (an industrial waste) for the manufacture of cement as well as flyash (a waste product from thermal power plants) in the production of Pozzolana Portland Cement (PPC). The Company utilizes alternative fuel; rice husk, hazardous waste and carbon black which helps to conserve the finite natural resources. The Company is scaling the usage of alternate fuel year on year to decrease dependency on traditional fuel i.e. coal and interns reducing consumption of natural resources and reducing carbon footprint.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company promotes and encourage local and small vendors/producers towards the services - AMC's, Housekeeping, transportation, horticulture and like services from suitable sources of supply near our places of work. The Company fosters local and small suppliers for procurement of goods and services in close proximity to its plant locations. Contractor safety management, creating awareness among the local population, training programs etc. are in place to encourage and develop local and small suppliers. Technical training and support are being provided to them to improve and build their capability and to educate and improve their performance.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).

The Company utilizes complete quantity of flyash which is generated in captive power plant and also chemical gypsum (an industrial waste) for the manufacture of Pozzolana Portland Cement (PPC) and Ordinary Portland Cement. The Company also consumes rice husk (waste material), hazardous waste, carbon black, plastic waste etc., as an alternate fuel in the manufacturing process to substitute for the consumption of the fossil fuel/ coal. Also chemical gypsum is being consumed in cement preparation process.

In addition to the above, the Company has installed several bag filters at various transfer points, bag House for main stacks and Electro Static Precipitator (ESP) for cooler and CPP stack for trapping the dust passing through the chimney, this dust captured is collected in

the hopper from which it is recirculated/ recycled back to the raw meal process.

We have a Sewage treatment plant and treated water is used for dust suppression and horticulture purpose.

Principle 3 - EMPLOYEE WELL-BEING

1. Number of employees

The Company has total 1250 permanent employees including wage board staff and workmen.

2. Number of employees hired on temporary/ contractual/ casual basis

3470 workers were hired on a temporary/contractual/ casual basis.

3. Number of permanent women employees

There are 34 women employees in the management staff and 11 women employees as Wage Board/permanent workers.

4. Number of permanent employees with disabilities

3 permanent employees with disabilities are part of the organization.

5. Employee association that is recognized by management.

The Wageboard Workmen Union at Devapur is recognized by the management.

6. Percentage of permanent employees that are members of this recognized employee association

All the permanent workmen at Devapur are members of the recognized employee association (100% of permanent workmen in Devapur)

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No. of complaints at the beginning of the financial year	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
a.	Child labour/ forced labour/ involuntary labour	Nil	Nil	Nil
b.	Sexual harassment	Nil	Nil	Nil
c.	Discriminatory employment	Nil	Nil	Nil

8. What percentage of your under-mentioned employees were given safety and skill up-gradation training in the last year?

a.	Permanent Employees	100%
b.	Permanent Women Employees	100%
c.	Casual/Temporary/Contractual Employees	100%
d.	Employees with disabilities	100%

Orient Cement undertakes significant efforts to enhance its workforce skills levels through various learning and development programs. Various trainings provided to the employees include functional as well as health, safety and environment trainings. Basic safety induction and training is given to employees at the plants upon their induction into the Company. Further, at the manufacturing locations, specific safety trainings are provided to employees, including the temporary and contractual workforce, based on their job profiles.

Principle 4- STAKEHOLDER ENGAGEMENT

1. Has the Company mapped its internal and external stakeholders?

Yes, the Company has mapped its internal and external stakeholders. The major stakeholders identified and classified are:-

- Employees
- Customers
- Shareholders
- Local Communities
- Business partners/ Contractors/ Vendors
- Contract workers
- Project affected people
- Land contributors
- Government Bodies
- Industry Regulators
- Media and Industry Associations

For Orient Cement, maintaining relationship with stakeholders is a business imperative as our business revolves around our stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes, Orient Cement has identified the disadvantaged, vulnerable and marginalized stakeholders in its area of operations. These include among others, project affected people, land contributors and local residents.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide the details thereof, in about 50 words or so.

Orient Cement has paid due attention towards disadvantaged, vulnerable and marginalized stakeholders. Orient Cement puts a conscious effort to engage with such stakeholders, identify their needs/concerns and address them in a phased manner. Based on the needs identified, Orient Cement undertakes several programs to improve health service delivery, rural education, skill development, infrastructural development and economic livelihood. Several initiatives such as health care, education, infrastructure development, safe drinking water and sanitation, sustainable livelihood etc. are extended to disadvantaged, vulnerable and marginalized stakeholders and to the people living near the Company's manufacturing units. To achieve the same, we have a well-established CSR policy.

Principle 5- PROMOTION OF HUMAN RIGHTS

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?

The Company respects and promotes human rights of all relevant stakeholders and groups within and beyond the workplace, including those of the communities, consumers as well as the vulnerable and marginalised sections of the society. The Company is committed to ensuring that people are treated with dignity and respect. We have adopted Human Rights Policy to uphold human rights within our organisational boundaries and we continue to make our contractor, customers, suppliers, etc. aware of human rights-related issues.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There were no complaints received regarding breach of human rights during the reporting period.

Principle 6- ENVIRONMENTAL PROTECTION

1. Does the policy related to Principle 6 cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/others.

As per Orient Cement's Supplier Code of Conduct, the vendors, agents, consultants, contractors and any other third party, who have a business relationship with Orient Cement and during the negotiation itself we communicate all policies and compliance part based on internal and government laws. Vendors need to comply with all laws related to environment and health and safety. Compliance with these laws is mandatory for Orient Cement's vendors, agents, consultants, contractors and

any other third party.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, Orient Cement firmly believes on three pillars of sustainability Economic, Social and Environmental. These elements are critical to the well-being of our planet and to human development. Responsible corporates like us have to assume a pro-active role in contributing to the sustainability imperative. With increasing population and urbanization, demand for natural resources is increasing rapidly. Therefore, organizations involved in the cement industry have the responsibility to generate lasting innovations to protect both the industry's future viability and the health of our environment. We constantly identify and implement practices that satisfy the goals of sustainability in a holistic manner. "Producing more and consuming less" is the motto of our Company, which is evidenced by improvement in efficiencies across all aspects of our operations. This will not only benefit our environment but also improve the living standards of our society. It will help our nation's progress, ensuring the development in a rapid yet sustainable manner.

We strive to integrate responsible environmental practices into business operations that aim at environmental management, social development and financial profitability and have taken constant measures towards the same. We consciously aim to mitigate environmental impacts due to our business operations and follow precautionary approach wherever we suspect that our actions might cause harm to environment. We are aiming for responsible use of natural resources, reduction in air emissions, reduction in waste generation, reduction in energy consumptions; targeted investments in viable technologies that promise sustainable growth that extend beyond mere compliance with the law.

The Company has made commitments towards time-bound achievement of cement sector SDGs as a member of CSI (Cement Sustainability Initiative), under the aegis of World Business Council for Sustainable Development. Post the takeover of the CSI's charter by Global Cement and Concrete Association (GCCA), the SDGs obligations are being pursued as a member of GCCA.

A water accounting verification audit was conducted internally for all the plants. Based on water credit and debit assertions, the organization came out as water positive.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company has a mechanism to identify and assess potential environment risks in its plants. The Company is following ISO 14001:2015 standards to mitigate the potential environmental risks at Devapur, Chittapur and Jalgaon. All the plants have upgraded its Occupational Health Management safety system from OHSAS 18001 to ISO 45001:2018. Environment and Safety management programs are initiated for the mitigation of identified environment aspects as well as safety hazards.

Moreover, the critical environment risks are identified as a part of the Company's risk management identification process and these features in the Company's risk library. The Company regularly reviews its environmental risks and undertakes initiatives to mitigate them.

For us, the environmental performance improvement remains an important pillar of our business success. We are committed towards Environmental, Health and Safety (EHS) management. We also continuously focus on improving resource efficiency in clinker and cement production by optimizing energy usage, utilizing waste in production processes and targeting higher alternative fuel and raw material usage. In the process, we also endeavor to minimize our impact on climate, water and air.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Our Chittapur cement plant equipped with latest technologies & energy efficient equipment's, Cross Belt Analysers in the limestone and raw material feeding circuit for optimum utilisation of natural resources. The raw material grinding is achieved with vertical roller mills in finish mode which consumes substantially less electrical energy when compared with conventional ball mill grinding. The preheater is designed with low pressure cyclones for better utilisation of heat energy and kiln burner is provided with multi-channel burner. The clinker cooler is of the latest generation that uses less cooling air i.e. less electrical energy when compared with conventional coolers. The cooler drives are also of the hydraulic type. The complete pyro system is designed for the best and lowest heat energy consumption possible. The cement grinding circuit consists of vertical roller mills in closed circuit so that the cement grinding can be carried out with the optimum electrical energy

when compared with conventional ball mill grinding. The quality control systems of latest generation are in place to optimise consumption of various raw materials.

Orient Cement is active in managing its GHG emissions. The Company is utilising power plant waste i.e. fly ash to manufacture Pozzolana Portland Cement as much as possible and system is designed for the same with one of the best and most accurate feeding systems. The Company is using AFR such as rice husk, carbon black, hazardous waste, plastic and pharma waste.

5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, Orient Cement has taken many initiatives towards improving energy efficiency, clean and green technology and renewable energy perspective. Some of these include: -

- a) Identification & Implementation of the Energy efficiency initiatives/ activities in the plant and monitoring these activities are a continuous process. Please refer to **Annexure '6'** of the Directors' Report of the Annual Report for conservation of energy initiatives. The same is also available on Company's website: www.orientcement.com.
- b) Process optimization and improvement initiatives on consistent basis across all plants.
- c) 100% utilization of flyash generated from Captive power plant being consumed and balance required quantity is being procured from nearest thermal power plant. The Company utilizes chemical gypsum (an industrial waste) for the manufacture of cement.
- d) The Company uses Biomass – Rice Husk (waste material), Hazardous waste (Solid & liquid waste), carbon black as an alternate fuel in the manufacturing process to substitute the consumption of the fossil fuel/ coal. Further we explored using the Plastic waste, Tuar husk for replacement of Fossil fuel.
- e) The Company has constructed and maintained various check dams in and around the plant at Devapur. Company has taken an initiative and installed a rainwater harvesting system across the plants. A huge pond is being maintained for the collection of rainwater at the Chittapur plant. Orient Cement has developed new Reservoir – "Pochamma Sagar" of capacity 32 Lac Cub. Meter at Devapur Plant for collection of rainwater in the lower benches

during the monsoon season. This is being used for plantation activities and water spraying on roads for suppressing dust besides being used in the power plant and cement plant. The rainwater harvesting fulfils the requirement of the mines, power plant and cement plant. This huge reservoir/lake recharges the ground water table of surrounding areas and supports the existence of local flora and fauna. Many bird species can be seen in the area using different habitats extensively for foraging, nesting and roosting in the surrounding vegetation. Fishes in the water reservoir help in maintaining an aquatic ecosystem.

- f) The Company is continuously concentrating on improving its productivity in terms of production, power consumption and thermal energy consumption. The electrical equipment used in the plant is made energy efficient through usage of Variable Frequency Drives (VFDs) Our focus on operating efficiencies has led to the Company having one of the lowest specific energy - power consumption & Thermal in the industry.
- g) At Chittapur plant all the electrical drives are of latest IE3 class having the highest energy efficiency. Most of the plant drives where speed control is necessary are provided with Variable Frequency Drives so as to optimise the electrical energy utilisation. All the raw material and fuel storage areas are completely covered to prevent dust and leaching due to rainwater which also reduces the energy utilisation.
- h) The Company has a sewage treatment plant, a water treatment plant and neutralization pit for treating water and wastewater generated at Plant.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions/ waste generated by the Company are within the permissible limits as prescribed by CPCB/ SPCBs and same are reported.

7. Number of show cause/legal notices received from CPCB/SPCB which is pending (i.e. not resolved to satisfaction) as on end of financial year.

No show cause/ legal notice from CPCB/ SPCB have been received by any of the Orient Cement's manufacturing plants during the financial year.

Principle 7- RESPONSIBLE PUBLIC POLICY ADVOCACY

1. Is your Company a member of any trade and chamber

or association? If yes, name only those major ones that your business deals with.

The Company is member of Cement Manufacturers Association. The Company had also joined the Cement Sustainability Initiative (CSI), under the aegis of the World Business Council for Sustainable Development (WBCSD). After the formation of Global Cement and Concrete Association (GCCA), who then took over the Sustainability Initiatives from CSI, the Company has joined GCCA in its commitment to pursue the sustainability agenda. Besides, the Company is also a member of National Human Resource Development (NHRD), Employer's Federation of Southern India (EFI) and National Safety Council (NSC).

- 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Yes, the broad areas are Economic Reforms, Environment and Energy issues and Sustainable Business Principles.

Principle 8- INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

- 1. Does the Company have specified program/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

We believe in being a good corporate citizen by helping communities and being instrumental in supporting their progress. Towards this objective, we have a well-established policy framework and implementation mechanism which reflects our objective of economic and social development to create a positive impact in our neighboring communities. Beyond constantly creating value through our operations and initiatives, we are committed to the socio-economic development of communities around us.

The Company has specific programs/ initiatives/ projects in pursuance of its CSR objectives. The Company has adopted a CSR policy which has been aligned with the requirements of the Companies Act, 2013 and our thrust areas are well aligned to the schedule VII of section 135 of the Companies Act, 2013. The Company has carried out CSR Programs in pursuance of inclusive development, primarily focusing on education, infrastructure development and healthcare support.

Focused efforts are made in the identified community development areas to achieve the desired outcomes. Orient Cement's presence has resulted in notable economic improvement of the areas where it has its manufacturing plants. Apart from numerous business opportunities that Orient Cement creates for the local vendors/ suppliers, Orient also undertakes multiple CSR initiative for the local communities. The focus of all such initiatives has been to improve the quality of life of local residents.

The Company has carried out several CSR activities towards community development which are broadly categorized into 5 heads:

1. Promoting education
 2. Promoting preventive health care
 3. Eradicating hunger, poverty and malnutrition
 4. Promoting sanitation
 5. Promoting rural development projects
- 2. Are the programs/ projects undertaken through in-house team/own foundation/ external NGO/ government structures/any other organization?**

Orient Cement has a Board level CSR Committee constituted under the Companies Act, 2013 which assists the Board in discharging social responsibilities. It formulates and monitors implementation framework of "Corporate Social Responsibility Policy", observes practices of Corporate Governance at all levels and provides remedial measures wherever necessary.

Under the framework of its CSR Policy, the Company undertakes social programs/ projects on an ongoing basis. The programs/projects are undertaken through in-house teams to ensure that Orient Cement achieves success in effectively translating the Company's vision of promoting inclusive growth successfully in a focused manner and under the Company's direct supervision.

- 3. Have you done any impact assessment of your initiative?**

The Company monitors the impact of its CSR initiatives on an ongoing basis and has noted positive outcomes and benefits for the people in and around the Company's plants.

During financial year 2019-20, the Company has, like in previous years, made significant contributions towards promotion of education and social good by providing primary healthcare support in the vicinity of its plants. In the area of education, in the school run by the

Company in Devapur, both primary and secondary, over 1500 students are studying on an average per year both in English and Telugu medium. It has hugely impacted the quality of life of the villagers in the vicinity. We are continuing the focus on education at Chittapur plant in our 2018 established English medium CBSE school wherein in the current phase 269 students are enrolled upto 7th Standard.

Few of our initiatives in this direction include:

- In the area of women empowerment we have conducted programs at villages in and around our Chittapur Plant (1) literacy program, benefiting about 140 women members to understand the banking and financial transactions better; (2) conducted banking & self-employment program wherein 100 women members were benefited (3) Computer education to high school and college girls wherein about 69 members benefited (4) Forming SHG groups. Training and support the members to maintain the book of accounts, understand the concept of SHG. (5) Functional literacy will make the women to recognize the alphabets and numbers (6) Fashion Designing and tailoring will enable the women to earn a sustainable livelihood to support the family. This will also reduce their dependency on their men folk for small personal needs (7) Gardening, maintenance techniques for women labors of the company contractors. This will train them in keeping the garden afresh and green (8) Solar light Composing will make the village community to take care of solar light equipment's.
- To improve the awareness on health & hygiene, we have conducted various health camps, eye checkup camps, dental checkup, women health screening across villages at our plants covering more than 2500 beneficiaries. Also, to build hygiene awareness in line of Swatch Bharat initiatives we have conducted more than 15 programs touching more than 3000 people. We also focused on Shishu Ahar for health improvement for kids wherein about 95 numbers benefited.
- To eradicate poverty and malnutrition in tribal community in and around Devapur we contribute financially every year to Vanavasi Kalyan Parishad; similar initiative for malnutrition children is also taken up at Chittapur in the name of Shishu Ahar.
- The Company has five full time doctors including three lady doctors in the dispensary at Devapur and Chittapur along with experienced nursing staff to treat people from the nearby villages. Over 40000 people were benefitted across locations. To the benefit of our plant associates

and villages, our newly constructed Occupational Hospital center at our Chittapur plant was operational during this year.

- **Health Awareness Program:** We have organized health awareness program in association with Hyderabad based Dr. Reddy's Foundation on 26.02.2020 for school teachers of Carmel Giri Convent High School.
- **Swachchhata Abhiyan:** To create an awareness among the community the importance of cleanliness, to keep the surrounding clean and tidy. To sustain the cleanliness, organized programs on personal hygiene and sanitization for girls in Gurukul tribal schools in Devapur and at government schools in and around Chittapur.
- To promote and support hygiene and sanitation we maintain a sulabh complex at Devapur maintained at our costs.
- Apart from this we financially support in the various activities like flooring, painting, providing stationary and other requirements at Asrama Girls School, MPPS High School, ZPSS School, Tribal Welfare School in Devapur and schools in Maddimada village.
- Conducted motivational, health, career counseling, personal development and exam preparation classes for 8th, 9th and 10th class children at Government Girls Ashram High School, Devapur.
- Teachers' Development Training - To make them adopt new and innovative teaching techniques to make learning interesting and nurture students we have also taken up the following initiatives:
 1. Career Counselling: Conducted career counselling session for students of Gurukul Patashala at Devapur on various options, entrance tests and courses that are available after SSC which helps them in creating a better career path and over 250 students participated in these interactions.
 2. In view of board exams and also to nurture and create more awareness, guidance, the following training programs were organized at our Carmel Giri Convent High School, Devapur: Career Guidance for 9th & 10th Students, Right Parenting for Parents and How to connect well with Students for all the Teaching Staff. These training programs were conducted in Feb,2020 in collaboration with certified NLP trainer, mind dynamic coach from Hyderabad, covering about 220 students, 60 teachers and 170 parents.
 3. Vedic Mathematics and Abacus: Introductory classes

conducted for school students at Carmel Giri Convent High School in July'19. Both Vedic Mathematics and Abacus would make basics strong and also help students in cracking competitive exams.

4. Industrial tour for students: Students from 8th to 10th standard who are studying at our Carmel Giri Convent High School were given an opportunity to visit our cement manufacturing unit including mines with all the safety precautions under the supervision of our security and safety officer, to learn and understand the process of manufacturing and how various departments like Mechanical, Electrical, Process, QC, mining and others work in collaboration and contribute to the various activities at plant.
5. Computer Training for students: To make the students ready to operate computers efficiently when they go for higher studies. In the month of December'2019 and January'2020, 14 computer sets have been distributed to the Zilla Parishad Schools of Marathi medium and Urdu medium in the Village – Nashirabad and at Jalgaon Khurd Gram Panchayat.
6. Drop out youth: The youth who have discontinued education at primary or high secondary were given soft skill training in computers and spoken English which will increase their confidence level.
 - To support agricultural activities and to bring in modern techniques in drip irrigation, plantation etc., awareness sessions were conducted.
 - Promoting Sports activities in schools by providing quality sports material which will make children to spend more time in schools. This will also make them efficiently manage the time between study and sports.
 - We have also undertaken few infrastructure initiatives for improving living conditions and conserve water:
 1. Construction of rooftop rainwater harvesting structure at Jalgaon Khurd village
 2. Construction of gabion structure at Waki river near Jalgaon Khurd village
 3. Construction of sub-surface water dike at Waghur river near Jalgaon Khurd village intake well
 4. Toilet blocks for men and women at Jalgaon Khurd and Nashirabad
 5. Construction of community hall at Nashirabad.
 - We as a company believe in sustainable growth along with the society. In this regard, various activities, that

lead to rural development, were undertaken like water pits, community development centers, creating and development of Dhyana Kendra, road repairs in Devapur and surrounding Villages

- To promote tribal festival and culture activities, our company supported local villagers and atleast 1000 members participated in cultural events.
- During the March 2020, on the COVID 19 Pandemic as a proactive step, Company has taken extensive awareness programs in the vicinity around our immediate community.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

During the year under review, the Company has spent an amount of ₹961.23 lacs (including provision of gratuity ₹25.26 lacs related to school staff) on community development projects. The Company has been working for community development around the Company's manufacturing locations focusing mainly on education, healthcare, sustainable livelihood, social empowerment, and infrastructure development.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words or so.

Orient Cement takes initiatives based on the needs of the community in a consultative approach so that the initiatives sustain and maintained effectively. Orient Cement conducts consistent engagement and interaction with the community to ensure that the initiatives undertaken are successfully implemented and addresses specific needs of the community. The Company has taken steps to ensure that the community initiatives benefit the community as per the identified and assessed needs. Projects are evolved out of the identified needs of the communities. This continuous engagement with the communities allows better acceptance and adaptation of the initiatives. We are further focusing on the skill enhancement so that the youth are employable through various initiatives.

Principle 9 – PROVIDING VALUE TO CUSTOMERS

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

Customer complaints are addressed on priority basis through the set standard operating procedures. Complaints are settled within the set timeline without

creating any delays in redressal coupled with educating the customer about the product and best construction practices followed in the industry.

A dedicated customer care number (state-wise) of technical personnel is provided on the product packaging for any product related assistance.

The Company received 110 customer complaints during the financial year 2019-20, out of which there is only one customer dispute pending as on the end of financial year, which has been substantially resolved. The matter is under final discussion with the customer to close the same.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

Latest BIS guidelines are followed in displaying the product information and other statutory details in the packaging of cement bags. BIS approvals are taken from time to time in making any amendments in the product information and packaging artwork.

Below marketing related information is also included:

- Name and logo of the brand (Birla.A1 Premium Cement), Company (Orient Cement), Group (CK Birla),
- Various certifications obtained - ISO 9001, ISO 14001,

OHSAS 18001, ISO 50001. TPM Company

- Marketing communication related information - Product tagline - "Majbooti me A1, Bharose me A1, and PST (Pressure Sustaining Technology), The Forever Cement.

The Company's website, www.orientcement.com, provides information about its products benefits.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

There is no case against Orient Cement during last five years, relating to unfair trade practices, irresponsible advertising and/or anti-competitive behavior as at the end of the financial year.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

To gauge the satisfaction levels of our customers, to understand the developments / changes in the market dynamics and to find out customer expectations from the products, informal surveys have been done from time to time by our internal team. Third party survey have not been conducted in the financial year 2019-20.

**By order of the Board of Directors
For Orient Cement Limited**

**D. D. Khetrapal
(Managing Director & CEO)
(DIN 02362633)**

Date: May 22, 2020

Place: New Delhi

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To
The Members of **Orient Cement Limited**

Report on the Audit of the Ind AS financial statements

Opinion

We have audited the accompanying Ind AS financial statements of Orient Cement Limited ("the Company"), which comprise the Balance Sheet as at March 31 2020, the Statement of Profit and Loss, including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and

appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 47 to the Ind AS financial statements, which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. The actual results may differ from such estimates depending on future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue from sale of goods (as described in note 2.1 (i) to the Ind AS financial statements)	Our audit procedures included the following:
The Company recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. In determining the sales price, the Company considers the effects of rebates and discounts (variable consideration). The Company's Statement of Profit and Loss for the year ended March 31, 2020, included Sales of ₹241,925.76 lacs. The terms of sales arrangements, including the timing of transfer of control, the nature of discount and rebates arrangements and delivery specifications, create complexity and judgment in determining revenues.	<ul style="list-style-type: none"> Evaluated the Company's revenue recognition policy and its compliance in terms of Ind AS 115 'Revenue from contracts with customers'; Assessed the design and tested the operating effectiveness of internal controls related to sales and related rebates and discounts; Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and/or other related documents. In respect of the samples selected, tested that the revenue has been recognized as per sales agreements;

Key audit matters	How our audit addressed the key audit matter
Revenue from sale of goods (as described in note 2.1 (i) to the Ind AS financial statements)	
<p>The risk is, therefore, that revenue is not recognised in accordance with Ind AS 115 'Revenue from contracts with customers', and accordingly, it was determined to be a key audit matter in our audit of the Ind AS financial statements.</p>	<ul style="list-style-type: none"> • Selected samples of sales transactions made pre- and post-year end, and agreed the period of revenue recognition to underlying documents; • Obtained details of all the rebate and discount schemes (variable consideration) rolled out by the Company. Selected samples of rebates and discounts during the year, compared them with the supporting documents and performed re-calculation of those variable considerations as per scheme documents. • Assessed the relevant disclosures made within the Ind AS financial statements.
Pending litigations including litigation for electricity duty (as described in Note 38 to the Ind AS financial statements)	
<p>The Company is subject to number of claims and litigations mainly related to taxes and electricity duty which is pending at Supreme Court and other indirect taxes. The assessment of the likelihood and quantum of any liability in respect of these matters can be judgmental due to the uncertainty about the outcome.</p> <p>This area is significant to our audit, since the amounts involved are material to the Ind AS financial statements and involves estimation of outcome.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Understood and assessed the internal control relating to the identification, recognition and measurement of provisions for disputes, potential claims and litigation, and contingent liabilities; • Read through the legal opinion obtained by the Company on the possible outcome of litigation relating to the Electricity duty matter from legal counsel; • Analysed responses obtained from the Company's tax advisors who deal with the court cases, tax and administrative proceedings, in which their status and possible expected outcome of proceeding were described; • Held discussions with specialists related to material ongoing tax proceedings; and, • Assessed the management's assumptions and estimates related to the recognized provisions for disputes and disclosures of contingent liabilities in the Ind AS financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to

the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise

professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including

any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 38 to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Kumar Agarwal

Partner

Place of Signature: Kolkata

Membership Number: 060352

Date: May 22, 2020

UDIN: 20060352AAAABS7587

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ORIENT CEMENT LIMITED

Report on the Companies (Auditor's report) Order, 2016 ('the Order') under sub-section (11) of section 143 of the Act

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of cement, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not,

however, made a detailed examination of the same.

- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding in respect of income-tax, sales-tax, service tax, goods and service tax, duty on custom, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Lacs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty and Penalty	565.14	Apr-2003 to Jul-2009	Telangana High Court
Customs Act, 1962	Customs and Penalty	84.35	Jul-2012 & Nov-2012	Commissioner
A.P. Sales Tax & Central Sales Tax Act, 1956	Sales Tax and CST	169.16 @	1990-1991, 1993-2002 & 2004-2005	Commissioner / Appellate Dy. Commissioner / Sales Tax Appellate Tribunal / Telangana High Court
Tamil Nadu / Karnataka / Maharashtra / Telangana VAT Act	VAT and Penalty	57.42\$	1996-1997, 2004-05, 2008-2009 & 2014-15	Joint Commissioner / Assistant Commissioner
Income Tax Act, 1961	Income Tax, Interest and Penalty	759.32*	2013-2014 to 2016-2017	Commissioner (Appeals)

@ net of amounts paid under protest amounting to ₹175.79 lacs

\$ net of amounts paid under protest amounting to ₹0.52 lacs

* net of amounts paid under protest amounting to ₹34.61 lacs

- (viii) According to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans and borrowings dues to banks and government. The Company did not have any outstanding dues in respect of debenture holders and on account of loans and borrowings in respect of financial institutions during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind-AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind-AS financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Kumar Agarwal

Partner

Place of Signature: Kolkata

Membership Number: 060352

Date: May 22, 2020

UDIN: 20060352AAAABS7587

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF ORIENT CEMENT LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Orient Cement Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind-AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Ind-AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Ind-AS financial statements was established and

maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Ind-AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Ind-AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind-AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Ind-AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Ind-AS Financial Statements

A company's internal financial control over financial reporting with reference to these Ind-AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind-AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Ind-AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind-AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance

with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind-AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Ind-AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind-AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Ind-AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind-AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind-AS financial statements and such internal financial controls over financial reporting with reference to these Ind-AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Kumar Agarwal

Partner

Place of Signature: Kolkata

Membership Number: 060352

Date: May 22, 2020

UDIN: 20060352AAAABS7587

Balance Sheet

as at 31st March, 2020

(₹ in Lacs)

Particulars	Note	31st March 2020	31st March 2019
I) ASSETS			
1) NON-CURRENT ASSETS			
a) Property, plant and equipment	3 a	2,20,981.95	2,29,321.42
b) Capital work-in-progress		6,676.09	4,781.31
c) Intangible assets	3 b	5,835.85	6,131.97
d) Right of Use Assets	4	334.61	-
e) Financial assets			
(i) Loans and Deposits	5	1,237.97	1,288.90
(ii) Other financial assets	6	2,794.33	2,069.33
f) Income tax assets (net)	7	691.28	255.31
g) Other assets	8	2,954.62	3,281.70
	(A)	2,41,506.70	2,47,129.94
2) CURRENT ASSETS			
a) Inventories	9	23,661.40	18,596.77
b) Financial assets			
(i) Trade receivables	10	16,178.49	17,951.94
(ii) Cash and cash equivalents	11	3,470.05	2,204.12
(iii) Bank balances other than (ii) above	12	132.25	672.73
(iv) Loans and Deposits	5	8.86	8.78
(v) Other financial assets	6	1,713.17	1,978.28
c) Other assets	8	3,308.31	4,146.32
	(B)	48,472.53	45,558.94
TOTAL ASSETS (A)+(B)		2,89,979.23	2,92,688.88
II) EQUITY AND LIABILITIES			
1) EQUITY			
a) Equity Share Capital	13	2,048.69	2,048.69
b) Other Equity	14	1,09,788.21	1,03,301.93
	TOTAL EQUITY (C)	1,11,836.90	1,05,350.62
LIABILITIES			
2) NON-CURRENT LIABILITIES			
a) Financial Liabilities			
(i) Borrowings	15	1,13,539.13	1,22,624.23
(ii) Other financial liabilities	16	134.18	36.57
b) Provisions	17	3,993.21	4,298.98
c) Deferred tax liabilities (net)	18	12,192.19	9,609.04
	(D)	1,29,858.71	1,36,568.82
3) CURRENT LIABILITIES			
a) Contract Liabilities	19	2,676.70	2,852.25
b) Financial Liabilities			
(i) Borrowings	15	26.00	453.52
(ii) Trade Payables	20		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises		168.24	251.74
- Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		17,466.96	18,398.39
(iii) Other financial liabilities	21	20,178.76	17,869.58
c) Other liabilities	22	3,543.76	7,530.33
d) Provisions	17	4,185.98	3,132.10
e) Current tax liabilities (net)	23	37.22	281.53
	(E)	48,283.62	50,769.44
TOTAL LIABILITIES (F)=(D)+(E)		1,78,142.33	1,87,338.26
TOTAL EQUITY AND LIABILITIES (C)+(F)		2,89,979.23	2,92,688.88
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm registration number:301003E/E300005
Chartered Accountants

per Sanjay Kumar Agarwal
Partner
Membership No.: 060352

Place: Kolkata
Date: 22nd May 2020

For and on behalf of Board of Directors

CK. Birla
Chairman
(DIN 00118473)
Place: New Delhi

S. Bhattacharyya
Chief Financial Officer
(FCA 059004)
Place: Hyderabad

D.D. Khetrapal
Managing Director & CEO
(DIN 02362633)
Place: New Delhi

N. Bisaria
Company Secretary
(FCS 5634)
Place: Ghaziabad

Statement of Profit & Loss

for the year ended 31st March, 2020

(₹ in Lacs)

Particulars	Note	31st March 2020	31st March 2019
I) INCOME			
Revenue from operations	24	2,42,179.72	2,52,216.93
Other income	25	1,772.07	1,397.29
Total income (I)		2,43,951.79	2,53,614.22
II) EXPENSES			
Cost of raw materials consumed	26	23,886.65	25,622.08
Increase in inventories of finished goods and work in progress	27	(3,562.34)	(374.14)
Employee benefits expense	28	15,486.12	15,496.30
Power and Fuel		59,139.41	66,550.68
Packing, Freight & Forwarding Charges		69,343.30	74,065.47
Finance costs	29	12,232.05	11,849.93
Depreciation and amortisation expenses	30	14,087.49	13,271.92
Other expenses	31	39,599.24	39,652.89
Total expenses (II)		2,30,211.92	2,46,135.13
III) Profit before tax (I)-(II)		13,739.87	7,479.09
IV) Tax Expense	18		
(1) Current Tax		2,393.03	1,620.84
(2) MAT Credit		(2,393.03)	(1,620.84)
(3) Deferred Tax Charge		5,080.90	2,723.92
		5,080.90	2,723.92
V) Profit for the year (III)-(IV)		8,658.97	4,755.17
VI) Other Comprehensive Income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Re-Measurement losses on defined benefit plans		(299.71)	(106.62)
Income tax effect		104.73	37.26
Other Comprehensive Income (net of tax)		(194.98)	(69.36)
VII) Total Comprehensive Income for the year (V)+(VI)		8,463.99	4,685.81
Earnings per share:	32		
(1) Basic		4.23	2.32
(2) Diluted		4.23	2.32
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
 Firm registration number:301003E/E300005
 Chartered Accountants

per Sanjay Kumar Agarwal
 Partner
 Membership No.: 060352

Place: Kolkata
 Date: 22nd May 2020

For and on behalf of Board of Directors

CK. Birla
 Chairman
 (DIN 00118473)
 Place: New Delhi

S. Bhattacharyya
 Chief Financial Officer
 (FCA 059004)
 Place: Hyderabad

D.D. Khetrpal
 Managing Director & CEO
 (DIN 02362633)
 Place: New Delhi

N. Bisaria
 Company Secretary
 (FCS 5634)
 Place: Ghaziabad

Cash Flow Statement

for the year ended 31st March, 2020

Particulars	Note	(₹ in Lacs)	
		31st March, 2020	31st March, 2019
(A) OPERATING ACTIVITIES :			
Profit before tax		13,739.87	7,479.09
Adjustments to reconcile profit before tax to net cash flows :			
Depreciation and amortisation expense		14,087.49	13,271.92
Finance costs (net of interest capitalisation of ₹207.86 lacs) (31st March 2019 ₹1,182.59 lacs)		12,232.05	11,849.93
(Profit)/Loss on sale/discard of Property, plant and equipment (net)		(7.98)	0.54
Bad debts / advances written off (net of reversals)		4.20	5.67
Provision for doubtful debts & advances		12.95	38.30
Unspent liabilities and unclaimed balances adjusted		(896.43)	(782.57)
Profit on sale of Investment in Mutual Fund (net)		(15.61)	(7.58)
Employee stock option charge/(reversal)		(125.35)	304.91
Unrealised Loss on Exchange Rate Fluctuations (net)		9.53	-
Interest Income on loans, deposits, others		(450.98)	(261.78)
Working Capital Adjustments :			
Decrease in trade payable and other liabilities		(4,513.52)	(1,016.09)
Increase/ (Decrease) in provisions		164.00	(497.80)
Increase in inventories		(5,064.63)	(2,176.04)
Decrease in trade receivables and other assets		3,074.54	1,595.25
CASH GENERATED FROM OPERATIONS:		32,250.13	29,803.75
Income tax paid		(3,073.31)	(1,674.65)
NET CASH FLOWS FROM OPERATING ACTIVITIES		29,176.82	28,129.10
(B) INVESTING ACTIVITIES :			
Purchase of Property, plant and equipment and Intangibles (including capital work-in-progress)		(7,707.05)	(12,178.39)
Proceeds from sale of Property, plant and equipment		42.16	53.65
Investment in Mutual funds		(19,100.00)	(6,600.00)
Proceeds from Sale of Mutual Funds		19,115.61	6,607.58
Payments for term deposits with banks		(173.09)	(142.93)
Proceeds from maturity of term deposits with banks		-	26.20
Interest Received		497.45	241.52
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(7,324.92)	(11,992.37)
(C) FINANCING ACTIVITIES :			
Proceeds from long term borrowings		-	15,300.00
Repayment of long term borrowings		(5,999.52)	(5,678.51)
Movement in short term borrowings (net)		(427.52)	(12,120.46)
Payments of Lease Liability (Note 36)		(245.17)	-
Interest paid		(12,061.40)	(12,787.33)
Dividends Paid (including dividend distribution tax)		(1,852.36)	(1,852.36)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(20,585.97)	(17,138.66)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)		1,265.93	(1,001.93)
Cash & Cash Equivalents at the beginning of the year	11	2,204.12	3,206.05
Cash & Cash Equivalents at the end of the year	11	3,470.05	2,204.12
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm registration number:301003E/E300005
Chartered Accountants

per Sanjay Kumar Agarwal
Partner
Membership No.: 060352

Place: Kolkata
Date: 22nd May 2020

For and on behalf of Board of Directors

CK. Birla
Chairman
(DIN 00118473)
Place: New Delhi

S. Bhattacharyya
Chief Financial Officer
(FCA 059004)
Place: Hyderabad

D.D. Khetrpal
Managing Director & CEO
(DIN 02362633)
Place: New Delhi

N. Bisaria
Company Secretary
(FCS 5634)
Place: Ghaziabad

Statement of Changes in Equity

for the year ended 31st March, 2020

A) Equity Share Capital

	No. in Lacs	₹ in Lacs
Equity Shares of ₹1 each issued, subscribed and fully paid		
At 31st March, 2019	2,048.69	2,048.69
At 31st March, 2020	2,048.69	2,048.69

B) Other Equity

Particulars	Reserves and Surplus			Total
	General Reserve	Employee Stock Options Outstanding	Retained Earnings	
As at 31st March, 2018	71,056.95	1,172.27	27,934.35	1,00,163.57
Profit for the year	-	-	4,755.17	4,755.17
Other Comprehensive Income for the year	-	-	(69.36)	(69.36)
	71,056.95	1,172.27	32,620.16	1,04,849.38
Share based payments (Note 35)	-	304.91	-	304.91
Dividend	-	-	1,536.52	1,536.52
Dividend Distribution Tax	-	-	315.84	315.84
As at 31st March, 2019	71,056.95	1,477.18	30,767.80	1,03,301.93
Profit for the year	-	-	8,658.97	8,658.97
Lapsed during the year	-	(125.35)	-	(125.35)
Transferred to Retained Earnings*	-	(183.49)	183.49	-
Other Comprehensive Income for the year	-	-	(194.98)	(194.98)
	71,056.95	1,168.34	39,415.28	1,11,640.57
Dividend	-	-	1,536.52	1,536.52
Dividend Distribution Tax	-	-	315.84	315.84
As at 31st March 2020	71,056.95	1,168.34	37,562.92	1,09,788.21

* in relation to options lapsed after the vesting period during the year

Summary of significant accounting policies Note 2.1

The accompanying notes are an integral part of the Ind AS financial statements.

As per our report of even date

For S.R. Batliboi & Co. LLP
 Firm registration number:301003E/E300005
 Chartered Accountants

per Sanjay Kumar Agarwal
 Partner

Membership No.: 060352

Place: Kolkata

Date: 22nd May 2020

For and on behalf of Board of Directors

CK. Birla
 Chairman
 (DIN 00118473)
 Place: New Delhi

S. Bhattacharyya
 Chief Financial Officer
 (FCA 059004)
 Place: Hyderabad

D.D. Khetrpal
 Managing Director & CEO
 (DIN 02362633)
 Place: New Delhi

N. Bisaria
 Company Secretary
 (FCS 5634)
 Place: Ghaziabad

Notes to the Ind AS Financial Statements

as at and for the year ended 31st March, 2020

1. Corporate Information

Orient Cement Limited ("the Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on National and Bombay Stock exchanges in India. The cement undertaking of Orient Paper & Industries Limited (OPIL) had been transferred to the Company on a going concern basis w.e.f. 1st April 2012, pursuant to the scheme of arrangement approved by the Hon'ble Orissa High Court.

The Company is primarily engaged in the manufacture and sale of Cement and its manufacturing facilities at present are located at Devapur in Telangana, Chittapur in Karnataka and Jalgaon in Maharashtra.

These Ind AS financial statements were authorised for issue in accordance with a resolution of the board of directors on 22nd May 2020.

2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

These Ind AS financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments). The Ind AS financial statements are presented in INR and all values are rounded to the nearest lacs (INR 00,000), except when otherwise indicated.

2.1 Summary of significant accounting policies

(a) Property, plant and equipment (PPE)

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major overhaul is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

Land and buildings are measured at cost less accumulated depreciation on buildings and impairment losses, if any.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of the asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Depreciation is provided under straight line basis using the estimated useful lives of the assets as follows-

Class of Asset	Useful Lives estimated by the management
Freehold Land	No depreciation except on freehold mining land. Freehold mining land is depreciation over the period of respective mining agreement.
Factory Buildings	30 years
Non-Factory Buildings	5 to 60 years
Railway Sidings	15 years
Plant and equipment including continuous process plant	5 to 25 years
Power plant	40 years
Furniture & Fixtures	8 to 10 years
Computers	3 years
Office Equipment	5 years
Vehicles	10 years

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

Depreciation on property, plant and equipment added / disposed-off during the year is provided on pro-rata basis with reference to the date of addition/disposal. The management has estimated, supported by technical assessment by experts, the useful lives of certain plant and equipment as 5 to 20 years. These lives are lower than those indicated in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Statement of Profit and Loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the assets is derecognized.

A summary of the policies applied to the Company's intangible assets is, as follows:

Class of Intangible Asset	Useful Lives estimated by the management	Amortisation method used
Specialized Software	3 years	Amortised on a straight-line basis over the period of Agreement
Mining Rights	10 to 50 years	Amortised on a straight-line basis over the period of Licence / Agreement (reflective of usages pattern)

(c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(d) Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on 1st April 2019. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). The impact of adoption of Ind-AS 116 on the financial statements of the Company has been described under Note 36.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (f) Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Other financial liabilities (see Note 16 and Note 21).

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices, godowns, equipment, etc. that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

(f) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

Intangible assets with indefinite useful lives are tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(g) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is deducted while calculating carrying amount of the asset. The grant is recognised in the Statement of Profit and Loss over the life of the depreciable asset as a reduced depreciation expense.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities in respect of loans / assistances received subsequent to the date of transition.

(h) Inventories

Raw materials, fuels, stores and spares and packing materials are valued at lower of cost and net realizable value. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on weighted average basis which includes expenditure incurred for acquiring inventories like purchase price, import duties, taxes (net of tax credit) and other costs incurred in bringing the inventories to their present location and condition.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of such inventories is computed on annual weighted average basis.

Saleable scrap, whose cost is not identifiable, is valued at net realisable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(i) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The normal credit term is 0 to 90 days upon delivery. The revenue is measured based on the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are considered.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

The Company provides volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Generally, rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the expected value method.

(j) Foreign currency transactions and balances

The Ind AS financial statements are presented in INR, which is the Company's functional currency. Foreign currency transactions are initially recorded at functional currency spot rates at the date the transaction first qualifies for recognition.

Foreign currency monetary items are translated using the functional currency spot rates prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

Exchange differences arising on the settlement or translation of monetary items are recognized in the Statement of Profit and Loss in the period in which they arise.

(k) Retirement and other employee benefits

Retirement benefit in the form of Provident Fund and Superannuation Schemes are defined contribution schemes. The Company has no obligation, other than the contribution payable to the respective funds. The Company recognizes contribution payable to the scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation done on projected unit credit method at the balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Company has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

(l) Taxes

Income Tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to or recovered from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax relating to items recognised outside Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity).

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. The Company recognizes MAT credit available as deferred tax asset only to the extent it is probable that sufficient taxable profit will be available to allow all or part of MAT credit to be utilised during the specified period, i.e., the period for which such credit is allowed to be utilised. In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

The Company is entitled to tax holiday under the Income Tax Act, 1961 enacted in India. No deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary difference originate.

(m) Segment reporting

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which the customers of the Company are located.

Allocation of common costs

Common allocable costs are allocated to each segment on a case to case basis applying the ratio, appropriate to each relevant case. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segment on a reasonable basis, are included under the head "Unallocated".

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

(n) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(o) Provisions

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(p) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(r) Employee stock options

Certain employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognised, together with a corresponding increase in reserves, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(s) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

Subsequent measurement of financial assets is described below -

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income, subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities, at fair value through profit or loss or loans and borrowings or payables or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss

2.2 Standards issued but not effective

There are no standards issued but not yet effective up to the date of issuance of the Company's financial statements.

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

3 a. Property, plant and equipment

(₹ in Lacs)

	Freehold Land (a)	Factory Buildings	Non-Factory Buildings	Railway Sidings	Plant and Equipment	Furniture and Fixtures	Office Equipments	Vehicles	Computers	Total
Cost										
At 1st April 2018	15,144.57	6,404.49	18,607.89	515.15	2,06,398.52	833.16	251.36	441.95	908.01	2,49,505.10
Additions	140.31	8.63	6,107.39	5,740.50	11,366.18	221.56	95.88	20.62	60.16	23,761.23
Disposals	-	-	-	-	186.77	30.04	1.82	-	1.33	219.96
Other adjustments	(51.62)	-	-	-	(100.00)	-	-	-	-	(151.62)
At 31st March 2019	15,233.26	6,413.12	24,715.28	6,255.65	2,17,477.93	1,024.68	345.42	462.57	966.84	2,72,894.75
Additions	48.87	14.69	1,646.70	335.30	2,862.78	90.97	105.21	99.31	46.98	5,250.81
Disposals	-	-	-	-	1.89	23.47	4.86	27.60	0.09	57.91
At 31st March 2020	15,282.13	6,427.81	26,361.98	6,590.95	2,20,338.82	1,092.18	445.77	534.28	1,013.73	2,78,087.65
Depreciation										
At 1st April 2018	-	554.73	2,377.90	192.56	26,496.57	443.61	109.09	218.97	539.29	30,932.72
Charge for the year	-	225.21	1,397.14	47.37	10,876.53	62.48	47.67	26.83	123.15	12,806.38
Disposals	-	-	-	-	150.41	13.16	0.99	-	1.21	165.77
At 31st March 2019	-	779.94	3,775.04	239.93	37,222.69	492.93	155.77	245.80	661.23	43,573.33
Charge for the year	204.46	225.48	1,512.72	405.87	10,921.34	74.23	65.80	37.74	108.46	13,556.10
Disposals	-	-	-	-	0.56	10.23	3.75	9.15	0.04	23.73
At 31st March 2020	204.46	1,005.42	5,287.76	645.80	48,143.47	556.93	217.82	274.39	769.65	57,105.70
Net book value										
At 31st March 2020	15,077.67	5,422.39	21,074.22	5,945.15	1,72,195.35	535.25	227.95	259.89	244.08	2,20,981.95
At 31st March 2019	15,233.26	5,633.18	20,940.24	6,015.72	1,80,255.24	531.75	189.65	216.77	305.61	2,29,321.42

- Includes ₹715.39 lacs (31st March 2019: ₹716.65 lacs) the mutation whereof in the Company's name is pending.
- For charge created on Property, plant and equipment of the Company towards borrowings, refer Note 15.
- For Property, plant and equipment existing on 1st April 2015 i.e its date of transition to Ind AS, the Company has used previous GAAP carrying values as deemed cost. Subsequent measurement is at cost.

3 b. Intangible assets

(₹ in Lacs)

	Computer software	Mining Rights	Total
Cost			
At 1st April 2018	834.52	7,086.56	7,921.08
Additions	97.90	-	97.90
At 31st March 2019	932.42	7,086.56	8,018.98
Additions	25.67	-	25.67
At 31st March 2020	958.09	7,086.56	8,044.65
Amortisation			
At 1st April 2018	591.77	829.70	1,421.47
Charge for the year	140.03	325.51	465.54
At 31st March 2019	731.80	1,155.21	1,887.01
Charge for the year	110.29	211.50	321.79
At 31st March 2020	842.09	1,366.71	2,208.80
Net book value			
At 31st March 2020	116.00	5,719.85	5,835.85
At 31st March 2019	200.62	5,931.35	6,131.97

- For Intangible assets existing on 1st April 2015 i.e its date of transition to Ind AS, the Company has used previous GAAP carrying values as deemed cost. Subsequent measurement is at cost.

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

Notes to 3 a. & 3 b. -During the year, the Company has capitalised the following expenses to cost of Property, plant and equipment / capital work-in-progress

	(₹ in Lacs)	
	31st March, 2020	31st March, 2019
a) Pre-Operative Expenses:		
Consultancy charges	16.82	10.63
Interest cost	207.86	1,182.59
Miscellaneous Expenses	2.97	1.87
	227.65	1,195.09
b) Add: Balance brought forward from previous year	847.49	956.71
c) Less: Allocated to Property, plant and equipment / Capital work-in-progress during the year / Charged to Statement of Profit and Loss	207.86	1,304.31
d) Balance pending allocation included in Capital work-in-progress (a+b-c)	867.28	847.49

4. Right of Use Assets

	(₹ in Lacs)
	Buildings
At 1st April 2019	544.21
Additions	-
At 31st March 2020	544.21
Depreciation	
Charge for the year	209.60
At 31st March 2020	209.60
Net book value	
At 31st March 2020	334.61

Refer Note No. 36 for the related disclosures

5. Loans and Deposits

	(₹ in Lacs)	
	31st March, 2020	31st March, 2019
At amortised Cost		
Non-current		
Unsecured, considered good		
Security deposits	1,235.63	1,286.41
Loans to employees and others	2.34	2.49
	1,237.97	1,288.90
Current		
Unsecured, considered good		
Loans to employees and others	8.86	8.78
	8.86	8.78
Total Loans and Deposits	1,246.83	1,297.68

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

6. Other financial assets

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Non-current		
Deposit with original maturity for more than 12 months#	2,788.32	2,061.98
Interest accrued on loans, deposits etc.	6.01	7.35
	2,794.33	2,069.33
Current		
Interest accrued on loans, deposits etc.	79.79	124.93
Claims & other receivables*	1,633.38	1,853.35
	1,713.17	1,978.28
Total other financial assets	4,507.50	4,047.61

#Receipts for ₹2,788.32 lacs (31st March 2019: ₹2,061.98 lacs) are lodged with Government Departments/Banks as security.

*Includes ₹1,282.18 lacs (31st March 2019 : ₹1,282.18 lacs) receivable towards reimbursement of sales tax under Industrial Investment Promotion Policy (IIPP 2005-2010) Scheme of Andhra Pradesh.

7. Income tax assets (net)

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Advance payment of income tax and tax deducted at source (net of provision for taxation)	691.28	255.31
	691.28	255.31

8. Other assets

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Non-current		
Unsecured, considered good, except where otherwise stated		
Capital advances		
Considered good	169.07	286.74
Considered doubtful	43.27	43.27
	212.34	330.01
Less: Provision for doubtful advances	43.27	43.27
	169.07	286.74
Trade & other deposits	977.18	923.91
Deposits against demand under dispute	1,369.89	1,570.37
Prepaid expenses	438.48	500.68
	2,954.62	3,281.70
Current		
Unsecured, considered good, except where otherwise stated		
Advance to suppliers / service providers		
Considered good	2,313.75	3,429.43
Considered doubtful	94.36	94.30
	2,408.11	3,523.73
Less: Provision for doubtful advances	94.36	94.30
	2,313.75	3,429.43
Prepaid expenses	380.98	382.54
Balances with excise, customs, port trusts and other government authorities	611.58	333.35
Trade & other deposits	2.00	1.00
	3,308.31	4,146.32
Total other assets	6,262.93	7,428.02

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

9. Inventories

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Valued at Lower of Cost and Net Realisable Value		
Raw materials	1,995.75	1,549.57
Work-in-progress	3,529.77	1,637.03
Finished goods	2,731.75	1,206.62
Packing Material	346.39	295.24
Stores and spares	7,632.96	7,714.98
Fuels	7,284.84	6,124.79
At net realisable value		
Scrap	139.94	68.54
	23,661.40	18,596.77
The above includes stock in transit:		
Raw materials	3.03	–
Work-in-progress	–	113.77
Stores and spares	20.32	30.93
Fuels	1,915.91	2,028.92
	1,939.26	2,173.62

a. Inventories are pledged against the borrowings of the Company as referred in Note 15.

10. Trade receivables

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Secured, considered good	4,522.40	3,935.17
Unsecured, considered good	11,656.09	14,016.77
Trade Receivable - credit impaired	190.08	177.19
	16,368.57	18,129.13
Less : Impairment Allowance (allowance for bad and doubtful debts)	190.08	177.19
	16,178.49	17,951.94

- Trade receivables are generally on terms of 0 to 90 days.
- Trade receivables are pledged against the borrowings of the Company as referred in Note 15.
- For ageing analysis of trade receivables, refer Note 42.
- No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

11. Cash and cash equivalents

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Balances with banks	1,943.55	471.15
Deposits with original maturity for less than 3 months	1,500.00	–
Cheques in hand	23.82	1,730.56
Cash in hand	2.68	2.41
	3,470.05	2,204.12

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

Changes in liabilities arising from financing activities

	(₹ in Lacs)			
	1st April 2019	Cash Flows	Others	31st March 2020
Current borrowings (excluding items listed below)	5,892.64	(5,965.63)	8,250.92	8,177.93
Current obligations under deferred sales tax loan	461.41	(461.41)	918.98	918.98
Current lease liabilities	-	-	213.84	213.84
Non-current borrowings (excluding items listed below)	1,19,059.12	-	(8,166.12)	1,10,893.00
Non-current obligations under deferred sales tax loan	3,565.11	-	(918.98)	2,646.13
Non-current lease liabilities	-	(245.17)	379.35	134.18
	1,28,978.28	(6,672.21)	677.99	1,22,984.06

	(₹ in Lacs)			
	1st April 2018	Cash Flows	Others	31st March 2019
Current borrowings (excluding items listed below)	17,235.85	(16,782.33)	5,439.12	5,892.64
Current obligations under deferred sales tax loan	278.15	(278.15)	461.41	461.41
Non-current borrowings (excluding items listed below)	1,09,821.53	14,699.82	(5,462.23)	1,19,059.12
Non-current obligations under deferred sales tax loan	4,026.52	-	(461.41)	3,565.11
	1,31,362.05	(2,360.66)	(23.11)	1,28,978.28

The "Others" column includes the effect of reclassification of non-current portion of borrowings, including sales tax deferred loan to current due to the passage of time.

12. Other bank balances

	(₹ in Lacs)	
	31st March, 2020	31st March, 2019
On unpaid dividend accounts *	102.37	89.60
Deposits with original maturity for more than 3 months but less than 12 months	29.88	13.13
Deposits with original maturity for more than 12 months	-	570.00
	132.25	672.73

* earmarked for payment of unpaid dividend only.

Receipts for ₹29.88 lacs (31st March 2019: ₹583.13 lacs) are lodged with Government Departments/Banks as security.

13. Equity Share Capital

	31st March, 2020		31st March, 2019	
	No. in Lacs	₹ in Lacs	No. in Lacs	₹ in Lacs
Authorized share capital	5,000.00	5,000.00	5,000.00	5,000.00
Issued, subscribed and fully paid-up	2,048.69	2,048.69	2,048.69	2,048.69

There is no change in the number of shares in current year and corresponding previous year.

a) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

During the year ended 31st March 2020, the amount of per share dividend recognised as distribution to equity shareholders was ₹0.75 per share (31st March 2019: ₹0.75 per share).

The Board of Directors, at its meeting on 22nd May 2020, have proposed a final dividend of ₹0.75 per equity share for the

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

financial year ended 31st March 2020. The proposal is subject to the approval of shareholders at the forthcoming Annual General Meeting and if approved would result in a cash outflow of approximately ₹1,536.52 lacs. Proposed dividend is accounted for in the year in which it is approved by the shareholders.

b) Details of shareholders holding more than 5% shares in the Company

Name of shareholder	31st March, 2020		31st March, 2019	
	No. in Lacs	% holding in the class	No. in Lacs	% holding in the class
Equity shares of ₹1 each fully paid				
Central India Industries Limited	491.44	23.99	491.44	23.99
HDFC Trustee Company Limited- A/c HDFC Balanced Advantage Fund	184.30	9.00	-	-
Shekhavati Investments and Traders Limited	123.21	6.01	123.21	6.01
Franklin Templeton Mutual Fund A/c Franklin India Focused Equity Fund	150.21	7.33	110.00	5.37
HDFC Trustee Company Limited- HDFC Equity Saving Fund	-	-	184.30	9.00

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

c) For details of shares reserved for issue under the Employee Stock Option Plan (ESOP) of the Company, refer Note 35.

14. Other Equity

	(₹ in Lacs)	
	31st March, 2020	31st March, 2019
General reserve	71,056.95	71,056.95
Employee Stock Options Outstanding (Note 35)		
Balance as per last financial statements	1,477.18	1,172.27
Add: Charge for the year	-	304.91
Less: Lapse during the year	125.35	-
Less: Transferred to Retained Earnings*	183.49	-
	1,168.34	1,477.18
Retained Earnings		
Opening Balance	30,767.80	27,934.35
Add : Profit for the year	8,658.97	4,755.17
Less : Other Comprehensive Income for the year	194.98	69.36
Less : Dividend	1,536.52	1,536.52
Less : Dividend distribution tax	315.84	315.84
Add : Transferred from Employee Stock Options Outstanding*	183.49	-
Closing Balance	37,562.92	30,767.80
Total	1,09,788.21	1,03,301.93

* in relation to options lapsed after the vesting period during the year

General Reserve: The General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss. As per Companies Act 2013, transfer of profits to General reserve is not mandatory.

Employee Stock Options Outstanding: The Company has share option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees. The share based payment reserve

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 35 for further details of these plans.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Company.

15. Borrowings

(₹ in Lacs)

	Effective Interest rate	Maturity	31st March, 2020	31st March, 2019
Non-current borrowings				
Term loans				
From Banks				
Secured bank loans	8.56% - 9.37%	2017-2031	1,19,044.93	1,24,498.24
From other parties				
Deferred sales tax loan (Unsecured)		2012-2023	3,565.11	4,026.52
			1,22,610.04	1,28,524.76
Current maturity of long term loans				
Secured bank loans (Note 21)			8,151.93	5,439.12
Deferred sales tax loan (Unsecured) (Note 21)			918.98	461.41
Amount disclosed under the head "Other current financial liabilities"				
			9,070.91	5,900.53
Total non-current borrowings				
			1,13,539.13	1,22,624.23
Current borrowings				
Loan repayable on demand				
Cash credit from banks (Secured)			26.00	453.52
Total current borrowings				
			26.00	453.52

- Term Loans from Banks are secured by way of a first ranking pari passu mortgage on all the immovable properties both present and future of Chittapur taluka unit at Gulbarga District, first ranking pari passu charge on all the movable fixed assets and a second ranking pari passu charge on the current assets of the aforesaid unit.

The above loans are repayable in 56 quarterly instalments ranging from 1% to 2.5% of the loan amount and repayment starting from 30th June 2017 and ending on 31st March 2031. The above loans carry coupon interest @ 8.40% to 9.05% p.a (31st March 2019: 9.25% to 9.45%).

- Deferred sales tax loan is interest free and payable in 26 unequal instalments, starting from February 2012 and ending on January 2023.
- Cash credit from banks is secured by way of first charge on all the stock and book debts of the Company. The cash credit is repayable on demand and carries interest @ 8.20% to 8.70% p.a. (31st March 2019: 8.40% to 8.70%).

16. Other financial liabilities (Non-current)

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Capital creditors	–	36.57
Lease Liability (Note 36)	134.18	–
	134.18	36.57

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

17. Provisions

	(₹ in Lacs)	
	31st March, 2020	31st March, 2019
Non-current		
Provision for gratuity (Note 34)	2,323.92	1,586.72
Provision for mining restoration costs	493.20	375.55
Provision for rehabilitation & resettlement obligation relating to mines	1,176.09	2,336.71
	3,993.21	4,298.98
Current		
Provision for gratuity (Note 34)	170.95	134.93
Provision for leave benefits	1,271.93	1,112.63
Provision for mining restoration costs	13.16	148.72
Provision for rehabilitation & resettlement obligation relating to mines	2,729.94	1,735.82
	4,185.98	3,132.10

Provision for mining restoration costs

The activities of the Company involve mining of land taken under lease. In terms of relevant statutes, the mining areas would require restoration at the end of the mining lease. The future restoration expenses are affected by a number of uncertainties, such as, technology, timing etc. As per the requirement of Ind AS 37, the management has estimated such future expenses on best judgment basis and provision there of has been made in the accounts at their present value. The table below gives information about movement in mining restoration cost provisions.

	(₹ in Lacs)	
	31st March, 2020	31st March, 2019
Opening balance	524.27	493.33
Add: Arisen during the year	–	–
Less: Utilized during the year	2.71	5.31
Add: Unwinding of discount	(15.20)	36.25
Closing balance	506.36	524.27
Current	13.16	148.72
Non-current	493.20	375.55

Provision for rehabilitation & resettlement obligation relating to mines

In terms of Environment clearance given by Ministry of Environment, Forest and Climate Change (MOEF) for the Company's integrated plant at Chittapur, Karnataka, the Company is required to spend ₹7,261.62 lacs on socio economic welfare measures. As per the requirement of Ind AS 37, provision thereof has been made in the accounts at their present value. The table below gives information about movement in rehabilitation & resettlement cost provisions.

	(₹ in Lacs)	
	31st March, 2020	31st March, 2019
Opening balance	4,072.53	4,276.02
Add: Arisen during the year	–	–
Less: Utilized during the year	466.09	472.08
Add: Unwinding of discount	299.59	268.59
Closing balance	3,906.03	4,072.53
Current	2,729.94	1,735.82
Non-current	1,176.09	2,336.71

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

18. Income tax

Income tax expense in the Statement of Profit and Loss comprises:

	(₹ in Lacs)	
	31st March, 2020	31st March, 2019
Current tax	2,393.03	1,620.84
MAT Credit	(2,393.03)	(1,620.84)
Deferred tax Charge	5,080.90	2,723.92
Income tax expense	5,080.90	2,723.92

Entire deferred / income tax for the year ended 31st March 2020 and 31st March 2019 relates to origination and reversal of temporary differences.

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

	(₹ in Lacs)	
	31st March, 2020	31st March, 2019
Profit before Income Tax	13,739.87	7,479.09
Enacted Tax rates in India	34.94%	34.94%
Computed expected tax expense	4,801.26	2,613.49
Effect of non-deductible expenses		
CSR expenses disallowed under the Income tax Act, 1961	173.02	186.90
Charity & Donation	139.95	-
ESOP Reversal	64.12	-
Difference between tax depreciation and book depreciation estimated to be reversed during tax holiday period	(135.54)	(128.20)
Others	38.09	51.73
Income Tax expense	5,080.90	2,723.92

The applicable Indian statutory tax rate for fiscal 2020 is 34.94% and fiscal 2019 is 34.94%.

On 20th September 2019, the Government of India, vide the Taxation Laws (Amendment) Ordinance 2019, inserted Section 115BAA in the Income Tax Act, 1961, which provides a non-reversible option to the Company for paying corporate tax at reduced rates effective 1st April 2019 subject to certain conditions defined in the said section. The Company based on its assessment and evaluation has chosen not to exercise the option of lower tax rate of 25.17% (inclusive of surcharge and cess) under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Law (Amended) Ordinance 2019 and continue to apply the applicable Indian statutory tax rate of 34.94 % for the year ended 31st March 2020.

The significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

	(₹ in Lacs)	
	31st March, 2020	31st March, 2019
Deferred tax liability		
Property, plant and equipment and Intangible assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	38,214.25	37,349.31
Gross deferred tax liability	38,214.25	37,349.31
Deferred tax asset		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis in future years	1,422.31	1,099.15
Impact of business loss and unabsorbed depreciation	17,677.88	22,116.79
Provision for doubtful debts and advances	114.51	110.00
MAT Credit entitlement	6,807.36	4,414.33
Gross deferred tax asset	26,022.06	27,740.27
Net deferred tax liability	12,192.19	9,609.04

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

19. Contract Liabilities

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Advances from customers	2,676.70	2,852.25
	2,676.70	2,852.25

20. Trade payables

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Trade payables		
• total outstanding dues of micro enterprises and small enterprises (refer Note 40 for details of dues to micro and small enterprises)	168.24	251.74
• total outstanding dues of creditors other than micro enterprises and small enterprises	17,466.96	18,398.39
	17,635.20	18,650.13

Trade payables are non-interest bearing and normally settled on 0 to 45 day terms.

21. Other financial liabilities (Current)

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Current maturities of Long term loans (Note 15)	8,151.93	5,439.12
Current maturities of Deferred sales tax loan (Note 15)	918.98	461.41
Interest accrued but not due on borrowings	145.17	184.86
Unpaid dividend	102.37	89.60
Trade & other deposits	7,845.10	7,882.57
Capital creditors	1,492.60	2,317.35
Employee Benefits payable	1,307.99	1,493.89
Lease Liability (Note 36)	213.84	–
Other miscellaneous payable	0.78	0.78
	20,178.76	17,869.58

22. Other liabilities (Current)

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Statutory dues payable	3,543.76	7,530.33
	3,543.76	7,530.33

23. Current Tax Liabilities (net)

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Provision for income tax (net of advance income tax and tax deducted at source)	37.22	281.53
	37.22	281.53

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

24. Revenue from operations

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Sale of products		
Finished goods	2,59,054.86	2,66,658.92
Semi-finished goods	198.30	137.19
	2,59,253.16	2,66,796.11
Less: Cash discount, rebates, incentives etc.	17,327.40	15,073.94
	2,41,925.76	2,51,722.17
Other operating revenue		
Scrap sales	239.10	310.49
Sale of power	14.86	184.27
	2,42,179.72	2,52,216.93

Disaggregated revenue information

- The Company is primarily in the business of manufacture and sale of cement. The product shelf life being short, all sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/delivery. The amounts receivable from customers are generally on terms of 0 to 90 days. There is no significant financing component in any transaction with the customers.
- The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.
- The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.
- The management determines that the segment information reported in Note 41 is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 Revenue from contract with customers.

25. Other income

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Interest income on		
Loans, deposits, others etc.	450.98	261.78
Other non-operating income		
Insurance & other claims	3.93	4.04
Rent & hire charges	14.31	11.25
Unspent liabilities and unclaimed balances adjusted	1,021.78	782.57
Profit on sale of fixed assets (net)	7.98	-
Gain on exchange rate fluctuations (net)	50.12	15.20
Profit on sale of Investment in Mutual Fund (net)	15.61	7.58
Other miscellaneous income	207.36	314.87
	1,772.07	1,397.29

26. Cost of raw materials consumed

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Inventory at the beginning of the year	1,549.57	2,113.29
Add: Purchases & procurement expenses	24,332.83	25,058.36
	25,882.40	27,171.65
Less: Inventory at the end of the year	1,995.75	1,549.57
	23,886.65	25,622.08

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

27. Increase in inventories of finished goods and work in progress

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Inventories at the end of the year		
Work-in-progress	3,529.77	1,637.03
Finished goods	2,731.75	1,206.62
Scrap	139.94	68.54
	6,401.46	2,912.19
Inventories at the beginning of the year		
Work-in-progress	1,637.03	2,135.27
Finished goods	1,206.62	541.09
Scrap	68.54	52.99
	2,912.19	2,729.35
	(3,489.27)	(182.84)
Self Consumption	(73.07)	(191.30)
	(3,562.34)	(374.14)

28. Employee benefits expense

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Salaries, wages and bonus	13,658.55	13,436.89
Contribution to provident and other funds	787.28	754.83
Gratuity expense (Note 34)	506.58	515.46
Employee Stock Option charge (Note 35)	–	304.91
Staff welfare expenses	533.71	484.21
	15,486.12	15,496.30

29. Finance costs

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Interest on borrowings (at amortised cost)	11,388.05	11,934.28
Interest on Deposits from Dealer	464.40	516.49
Interest Others	93.31	102.49
Other borrowing cost (includes bank charges, processing fees, etc)	160.78	174.42
Total interest expense	12,106.54	12,727.68
Unwinding of interest on provisions (Note 17 and Note 36)	333.37	304.84
Less: Transfer to Capital work-in-progress / Property, plant and equipment	207.86	1,182.59
	12,232.05	11,849.93

30. Depreciation and amortisation expenses

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Depreciation of property, plant and equipment (Note 3 a)	13,556.10	12,806.38
Amortisation of intangible assets (Note 3 b)	321.79	465.54
Depreciation of Right to Use Assets (Note 4)	209.60	–
	14,087.49	13,271.92

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

31. Other expenses

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Royalty, Cess and other charges	7,538.35	8,158.13
Consumption of stores and spares	7,486.38	7,117.41
Handling & other charges to contractors	2,634.91	2,317.20
Rent & hire charges (Note 36)	4,638.97	5,107.85
Rates and taxes	484.47	468.91
Insurance	222.12	191.50
Repairs and maintenance		
Plant and machinery	4,685.70	4,330.27
Buildings	564.71	603.17
Others	800.25	746.34
CSR expenditure (Note 44)	495.14	534.85
Advertising and sales promotion	3,306.09	3,320.95
Commission on sales	1,709.49	2,022.47
Payment to auditor		
As Auditor:		
Audit fee	33.50	33.50
Limited review	28.50	25.50
Tax Audit fee	8.00	8.00
In other capacity:		
For certificates & other services	8.50	26.00
Reimbursement of expenses	1.75	4.46
Professional & consultancy charges	1,631.86	1,521.02
Charity & Donations	400.50	-
Director's commission	100.00	75.00
Directors' sitting fees	78.00	68.00
Bad debts / advances written off (net of reversals)	4.20	5.67
Provision for doubtful debts & advances	12.95	38.30
Loss on sale/discard of Property, plant and equipment (net)	-	0.54
Miscellaneous expenses	2,724.90	2,927.85
	39,599.24	39,652.89

32. Earnings per share (EPS)

The following table reflects the profit and earning per share data used in the basic and diluted EPS computations:

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Profit after tax	8,658.97	4,755.17
Net Profit for calculation of basic and diluted EPS	8,658.97	4,755.17
Weighted average number of equity shares in calculating basic EPS	2,048.69	2,048.69
Effect of dilution:		
Weighted average number of equity shares in calculating diluted EPS	2,048.69	2,048.69
Earnings per equity share [nominal value of share ₹1] (31st March 2019 : ₹1)		
Basic	4.23	2.32
Diluted	4.23	2.32

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

33. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses including unabsorbed depreciation can be utilised. Significant management estimate and assumptions is required to determine the amount deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further, details on taxes are disclosed in Note 18.

Provision for Restoration cost and Rehabilitation and resettlement cost obligations relating to mines

In determining the fair value of the Restoration cost and Rehabilitation and resettlement cost obligation relating to mines, assumptions and estimates are made in relation to discount rates, the expected cost to be incurred over the specified period and the expected timing of such costs. Also refer Note 17.

Useful Lives of Property, Plant & Equipment

The Company uses technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management yearly and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets

Defined benefit plans

The cost of defined benefit gratuity plan and its present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, an employee benefit obligation is highly sensitive to changes in these assumptions particularly the discount rate and estimate of future salary increase. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 34.

Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 35.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The carrying amounts

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates such as discount rates and growth rates.

34. Gratuity and other post-employment benefit plans

The Company has a defined benefit gratuity plan. The gratuity plan is governed by The Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The scheme is funded with an insurance company in the form of qualifying insurance policy for own employees and unfunded for contractor and school employees.

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the plan.

Statement of Profit and Loss

	(₹ in Lacs)			
	Gratuity - Funded		Gratuity - Non Funded	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Service cost	226.46	218.46	173.40	153.62
Opening adjustment of defined benefit obligation in relation to a school considered under Corporate Social Responsibility expenditure	–	–	–	51.58
Net Interest cost / (income) on the net defined benefit liability / (asset)	20.49	77.07	111.49	89.61
Net benefit expense #	246.95	295.53	284.89	294.81
Actual return on plan assets	98.42	113.42	–	–

including amount of ₹25.26 lacs (31st March 2019 : ₹74.88 lacs) disclosed under CSR expenditure.

Other comprehensive income

	(₹ in Lacs)			
	Gratuity - Funded		Gratuity - Non Funded	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Actuarial (gains) / losses				
- change in demographic assumptions	0.13	–	0.13	–
- change in financial assumptions	164.08	–	164.07	–
- experience variance (i.e. Actual experience vs assumptions)	3.88	23.79	(59.28)	138.09
Return on plan assets, excluding amount recognised in net interest expense	26.70	(55.26)	–	–
Components of defined benefit costs recognised in other comprehensive income	194.79	(31.47)	104.92	138.09

Balance sheet

Benefit asset/ liability	(₹ in Lacs)			
	Gratuity - Funded		Gratuity - Non Funded	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Present value of defined benefit obligation	2,150.47	1,899.41	1,785.80	1,454.32
Fair value of plan assets	1,441.40	1,632.08	–	–
Net liability	709.07	267.33	1,785.80	1,454.32

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

Changes in the present value of the defined benefit obligation are as follows:

(₹ in Lacs)

	Gratuity - Funded		Gratuity - Non Funded	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Opening defined benefit obligation	1,899.41	1,768.97	1,454.32	1,033.60
Opening adjustment of defined benefit obligation in relation to a school considered under Corporate Social Responsibility expenditure	–	–	–	138.69
Current service cost	226.46	218.46	173.40	153.62
Interest cost	145.61	135.23	111.49	89.62
Re-measurement (or Actuarial) (gain) / loss arising from:				
- change in demographic assumptions	0.13	–	0.13	–
- change in financial assumptions	164.08	–	164.07	–
- experience variance (i.e. Actual experience vs assumptions)	3.88	23.79	(59.28)	138.09
Benefits paid	(289.10)	(247.04)	(58.33)	(99.30)
Closing defined benefit obligation	2,150.47	1,899.41	1,785.80	1,454.32

Changes in the fair value of plan assets are as follows:

(₹ in Lacs)

	Gratuity - Funded		Gratuity - Non Funded	
	31st March, 2020	31st March, 2019	31st March, 2020	31st March, 2019
Opening fair value of plan assets	1,632.08	760.86	–	–
Expected return / Investment Income	125.12	58.16	–	–
Employers contribution	–	1,000.00	–	–
Benefits paid	(289.10)	(242.20)	–	–
Return on plan assets, excluding amount recognised in net interest expense	(26.70)	55.26	–	–
Closing fair value of plan assets	1,441.40	1,632.08	–	–

The Company expects to contribute ₹400.00 lacs (31st March, 2019 : ₹350.00 lacs) to gratuity in the next year.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	31st March, 2020	31st March, 2019
Investments with insurer	100%	100%

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	31st March, 2020	31st March, 2019
Discount rate	6.60%	7.65%
Expected rate of return on assets	6.60%	7.55%
Future salary increases:	7.00%	7.00%
Mortality Rate (% of IALM 2012-14) (31st March, 2019 : % of IALM 2006-08)	100%	100%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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as at and for the year ended 31st March, 2020

Defined Contribution Plan :

(₹ in Lacs)

	31st March, 2020	31st March, 2019
Contribution to Provident / Pension Funds	668.28	641.70
Contribution to Superannuation Fund	75.40	73.28
	743.68	714.98

Funded

A quantitative sensitivity analysis for significant assumptions is as below:

(₹ in Lacs)

Assumptions	31st March, 2020		31st March, 2019	
	Discount rate		Discount rate	
	1% increase	1% decrease	1% increase	1% decrease
(Decrease)/Increase in gratuity defined benefit obligation	(157.19)	181.95	(126.76)	145.46

(₹ in Lacs)

Assumptions	31st March, 2020		31st March, 2019	
	Future Salary		Future Salary	
	1% increase	1% decrease	1% increase	1% decrease
(Decrease)/Increase in gratuity defined benefit obligation	179.41	(158.02)	144.96	(128.61)

Non-Funded

A quantitative sensitivity analysis for significant assumptions is as below:

(₹ in Lacs)

Assumptions	31st March, 2020		31st March, 2019	
	Discount rate		Discount rate	
	1% increase	1% decrease	1% increase	1% decrease
(Decrease)/Increase in gratuity defined benefit obligation	(157.53)	185.16	(120.45)	140.41

(₹ in Lacs)

Assumptions	31st March, 2020		31st March, 2019	
	Future Salary		Future Salary	
	1% increase	1% decrease	1% increase	1% decrease
(Decrease)/Increase in gratuity defined benefit obligation	181.08	(157.74)	137.76	(121.56)

35. Employee stock option scheme

The Company provides share-based payment schemes to its employees. The Company had formulated an employee stock option scheme, namely Employee Stock Option Scheme 2015 (ESOP) in an earlier year. The relevant details of the scheme and grant are as below:

On 8th May 2015, the Board of Directors approved the Employee Stock Option Scheme 2015 for issue of stock options to the key employees of the Company. According to the scheme, the employee selected by the remuneration committee from time to time will be entitled to options, subject to satisfaction of the prescribed vesting conditions viz, continuing employment on the rolls of the Company as on 1st April 2015 as well as new employees who replaces the old eligible employee and joins the

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

employment of the Company before 30th June 2017 and continuing employment till grant date. The other relevant terms of the grant are as below:

Vesting Period	40% vest after 3 years 60% vest after 4 years
Exercise Period	4 Years
Expected Life	5.6 Years
Exercise Price (₹)	135
Market price as on 4th August, 2015 (₹)	183.25

The details of the activity under the scheme are as below::

	31st March, 2020	31st March, 2019
	No of options	No of options
Outstanding at the beginning of the year	14,73,900	14,73,900
Granted during the year	-	-
Lapsed during the year	3,67,900	-
Outstanding at the end of the year	11,06,000	14,73,900
Exercisable at the end of the year	11,06,000	5,89,560

No option has been exercised as on the year end under the above scheme.

The weighted average remaining contractual life for the stock options outstanding as at 31st March 2020 is 1.09 years (31st March 2019 2.09 years).

The weighted average fair value of the stock options granted was ₹105.64. The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	31st March, 2020	31st March, 2019
Dividend yield (%)	0.96%	0.96%
Expected volatility	44.90%	44.90%
Risk-free Interest rate	8%	8%
Weighted average share price (₹)	183.50	183.50
Exercise price (₹)	135	135
Expected life of options granted in years	5.6	5.6

The expected life of the stock is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

36. Leases

Company as a lessee

The Company has applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described in the Note 2.(1) (d) of the Accounting Policies.

Impact on Balance Sheet (Increase / Decrease):

	31st March, 2020	31st March, 2019
Assets		
Right-of-use assets	334.61	544.21
Liabilities		
Lease liabilities	348.02	544.21

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

Impact on Statement of Profit and Loss (Increase in Profit):

	31st March, 2020
Depreciation and amortisation	209.60
Other expenses	(245.17)
Finance cost	48.98
Income Tax expense	(4.69)
Profit for the period	8.72

Impact on Statement of Cash Flows :

	31st March, 2020
Payment of principal portion of lease liabilities	196.19
Payment of interest portion of lease liabilities	48.98
Net cash flows used in financing activities	245.17

There is no material impact on other comprehensive income or the basic and diluted earnings per share.

The Company has lease contracts for various items of plant, machinery, vehicles and other equipment used in its operations. Leases of plant and machinery, motor vehicles and other equipment generally have lease terms between 1 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios.

The Company also has certain leases of machinery with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	₹ in Lacs
As at 1st April 2019	544.21
Depreciation expense	209.60
As at 31st March 2020	334.61

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	(₹ in Lacs)	
	31st March, 2020	
As at 1st April	544.21	
Accretion of interest	48.98	
Payments	245.17	
As at 31st March	348.02	
Current	213.84	
Non-current	134.18	

The maturity analysis of lease liabilities are disclosed in Note 42.

The effective interest rate for lease liabilities is **9.0%**, with maturity between **2021-2022**

The following are the amounts recognised in Statement of Profit and Loss:

	(₹ in Lacs)	
	31st March, 2020	31st March, 2019
Depreciation expense of right-of-use assets	209.60	-
Interest expense on lease liabilities	48.98	-
Expense relating to other leases (included in other expenses)	4,638.97	5,107.85
Total amount recognised in Statement of Profit and Loss	4,897.55	5,107.85

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as at and for the year ended 31st March, 2020

37. Capital and other commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹2,285.93 lacs (31st March 2019: ₹5,943.58 lacs).

38. Contingent liabilities

	(₹ in Lacs)	
	31st March, 2020	31st March, 2019
Claims against the Company not acknowledged as debt :		
Excise Duty and Customs	714.15	758.45
Sales Tax (including Entry Tax)	1,064.48	782.21
Income Tax	942.90	587.07
Electricity Duty (Refer note 'a' below)	1,691.31	1,691.31
Bank Guarantee	600.00	600.00
Others (including power fuel surcharge adjustment, and towards certain vendors and employees)	1,580.36	1,651.46
	6,593.20	6,070.50

Note :

- The plea by the Company challenging the constitutional validity of Electricity duty demand of ₹1,691.31 lacs had been dismissed by the Hon'ble High Court, Hyderabad in an earlier year. The Company, along with other industry members, had appealed the matter before Hon'ble Supreme Court of India with paying a protest money of ₹1,005.76 lacs, where the hearing is pending. Based on management's internal assessment and also considering advice of an external legal counsel, the Company believes that the demand shall not sustain under law.
- Based on discussions with the solicitors/ favourable decisions in similar cases/legal opinions taken by the Company, the management believes that the Company has a good chance of success in above-mentioned cases and hence, no provision there against is considered necessary. The timing of outflow of resources is not ascertainable.

39. Related party disclosures

List of members of Board of Directors/key managerial personnel and other related parties

Chairman and Non-Executive Director	Mr. CK. Birla
Managing Director & Chief Executive Officer	Mr. Desh Deepak Khetrpal
Other Directors	Mrs. Amita Birla
	Mr. Rajeev Jhawar
	Mr. Vinod Kumar Dhall (Resigned w.e.f. 23rd March 2019)
	Mr. Rabindranath Jhunjhunwala
	Mr. Janat Shah
	Mr Swapan Dasgupta
	Mr. I.Y.R Krishna Rao
	Mrs. Varsha Vasant Purandare
	Relatives of Director
Ms. Avanti Birla	
Ms. Avani Birla	
Chief Financial Officer	Mr. Sushil Gupta (Resigned w.e.f 29th Janaury 2020)
	Mr. Soumitra Bhattacharyya (Appointed w.e.f 29th January 2020)
Company Secretary	Mrs. Nidhi Bisaria
Firms in which a director, manager or his relative is a partner	Khaitan & Co LLP, New Delhi
	Khaitan & Co LLP, Kolkata
	Khaitan & Co, Mumbai
	Talwar Thakore & Associates
Public limited companies in which a director or manager is a director and holds along with his relatives, more than two percent of its paid-up share capital	Orient Paper & Industries Limited
	Orient Electric Limited

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as at and for the year ended 31st March, 2020

Investing Company	Central India Industries Limited
Post-employment benefit plan	Orient Cement Limited Employees Superannuation Fund
Other related entities	Birlasoft Limited
	CK Birla Corporate Services Limited
	Gmmco Limited
	HIL Limited
	National Engineering Industries Ltd

Related party transactions

The details of related parties transactions entered into by the Company for the year ended 31st March 2020 and 31st March 2019, and the details of amounts due to or due from related parties as at 31st March 2020 and 31st March 2019:

	Year Ended	Transaction during the period	Amount owed to related parties
Members of Board of Directors/key managerial personnel			
Sitting fees and Commission to Non-Executive Directors	31-Mar-20	178.00	100.00
	31-Mar-19	143.00	75.00
Dividend paid to Directors			
Dividend payment	31-Mar-20	26.56	–
Dividend payment	31-Mar-19	26.56	–
Managing Director & CEO			
Salary, bonus and contribution to PF	31-Mar-20	1,132.83	207.00
Share based payment	31-Mar-20	45.04	–
Salary, bonus and contribution to PF	31-Mar-19	986.13	180.00
Share based payment	31-Mar-19	171.85	–
Chief Financial Officer			
- Mr. Sushil Gupta			
Salary, bonus and contribution to PF	31-Mar-20	186.48	–
Salary, bonus and contribution to PF	31-Mar-19	198.46	36.39
Share based payment	31-Mar-19	35.88	–
- Mr. Soumitra Bhattacharyya			
Salary, bonus and contribution to PF	31-Mar-20	32.56	6.64
Company Secretary			
Salary, bonus and contribution to PF	31-Mar-20	29.00	2.95
Salary, bonus and contribution to PF	31-Mar-19	24.58	2.50
Enterprise in which a director or his/her relative has significant influence or is a Key management personal			
- Orient Paper & Industries Limited			
Payment of Rent	31-Mar-20	14.16	–
Payment of Rent	31-Mar-19	14.16	–
- Orient Electric Limited			
Purchase of Goods	31-Mar-20	8.42	2.55
Purchase of Goods	31-Mar-19	19.99	–

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

	Year Ended	Transaction during the period	Amount owed to related parties
- Khaitan & Co LLP - New Delhi			
Purchase of services	31-Mar-20	17.11	-
Purchase of services	31-Mar-19	6.00	-
- Khaitan & Co LLP - Kolkata			
Purchase of services	31-Mar-20	1.00	-
Purchase of services	31-Mar-19	1.00	-
- Khaitan & Co - Mumbai			
Purchase of services	31-Mar-20	0.20	-
Reimbursement of expenses	31-Mar-20	0.70	-
Reimbursement of expenses	31-Mar-19	2.88	-
- Talwar Thakore & Associates			
Purchase of services	31-Mar-20	-	-
Purchase of services	31-Mar-19	3.21	-
- C K Birla Corporate Services Limited			
Purchase of services	31-Mar-20	970.03	131.63
Purchase of services	31-Mar-19	768.07	37.50
- National Engineering Industries Limited			
Purchase of services	31-Mar-20	2.90	-
Payment of Rent and office maintenance*	31-Mar-20	60.22	-
Purchase of services	31-Mar-19	4.28	0.06
Payment of Rent and office maintenance	31-Mar-19	63.22	-
- HIL Limited			
Purchase of goods	31-Mar-20	13.56	-
Payment of Rent and office maintenance*	31-Mar-20	81.84	-
Purchase of goods	31-Mar-19	1.51	-
Payment of Rent and office maintenance	31-Mar-19	80.16	-
- GMMCO Limited			
Purchase of goods	31-Mar-20	2.04	-
Purchase of services	31-Mar-20	0.75	-
Payment of Rent and office maintenance*	31-Mar-20	27.53	-
Purchase of goods	31-Mar-19	10.67	(1.60)
Purchase of services	31-Mar-19	11.75	-
Payment of Rent and office maintenance	31-Mar-19	27.53	-
- Birlasoft Limited			
Purchase of services	31-Mar-20	7.98	3.17
Purchase of services	31-Mar-19	-	-
Relatives of Director			
Dividend payment	31-Mar-20	25.66	-
Dividend payment	31-Mar-19	25.66	-

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

	Year Ended	Transaction during the period	Amount owed to related parties
Enterprise having significant influence over the Company			
- Central India Industries Limited			
Dividend payment	31-Mar-20	368.58	-
Dividend payment	31-Mar-19	368.58	-
Entity that is a post-employment benefit plan for the benefit of employees of RE or it's parent			
- Orient Cement Limited Employees Superannuation Fund			
Superannuation Fund Contribution	31-Mar-20	78.19	-
Superannuation Fund Contribution	31-Mar-19	72.10	-

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

* Accounted as per Indian Accounting Standard 116 ('Ind AS 116'), Leases, with effect from 1st April 2019.

40. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

	(₹ in Lacs)	
	31st March, 2020	31st March, 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	168.24	251.74
Interest due on above	-	-
	168.24	251.74
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

41. The management has considered that the Company has a single reportable segment based on nature of products, production process, regulatory environment, customers and distribution methods. Further, the Company is engaged in single product line of manufacturing and selling cement and its customers and non-current assets are located in India only.

No customer individually accounted for more than 10% of the revenues from external customers during the year ended 31st March 2020 and 31st March 2019.

42. Financial risk management objectives and policies

The Company's financial liabilities comprise loans and borrowings, security deposits, and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents.

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

The Company is exposed to market risk, credit risk and liquidity risk. The Company has a Risk management policy and its management is supported by a Risk management committee that advises on risks and the appropriate financial risk governance framework for the Company. The Risk management committee provides assurance to the Company's management that the Company's risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include trade payables, trade receivables, borrowings, etc.

Commodity Price Risk

The Company is exposed to commodity price risk arising out of fluctuation in prices of raw materials (flyash, gypsum and laterite) and fuel (coal and pet coke). Such price movements, mostly linked to external factors, can affect the production cost of the Company. To manage this risk, the Company take steps such as monitoring of prices, optimising fuel mix and pursue longer and fixed price contracts, where considered necessary. Additionally, processes and policies related to such risks are controlled by central procurement team and reviewed by the senior management.

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows.

	Increase/ decrease in basis points	Effect on profit before tax
		(₹ in Lacs)
31 March 2020	50 basis points	600.15
31 March 2019	50 basis points	542.43

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates is not significant.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade receivables

Customer credit risk is managed by the respective department subject to Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits as defined by the Company. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on historical data of credit losses.

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

The ageing analysis of the receivables (net of provision) has been considered from the date the invoice falls due.

					(₹ in Lacs)
Trade Receivable	< 30 days	31 - 90 Days	91 to 180 days	> 180 days	Total
Mar-20	7,139.76	7,754.26	540.26	744.21	16,178.49
Mar-19	11,892.51	5,268.56	320.54	470.33	17,951.94

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits, bank loans among others.

Maturity profile of Financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

					(₹ in Lacs)
Financial Liabilities	0-1 year	2-5 year	6-10 year	Above 10 years	Total
Mar-20					
Borrowings *	19,180.91	72,514.18	84,127.16	14,350.56	1,90,172.81
Trade Payables	17,635.20	-	-	-	17,635.20
Other financial liabilities	11,107.85	134.18	-	-	11,242.03
Total	47,923.96	72,648.36	84,127.16	14,350.56	2,19,050.04
Mar-19					
Borrowings *	17,762.05	74,897.85	87,755.35	30,031.62	2,10,446.87
Trade Payables	18,650.13	-	-	-	18,650.13
Other financial liabilities	11,969.05	36.57	-	-	12,005.62
Total	48,381.23	74,934.42	87,755.35	30,031.62	2,41,102.62

* including future interest of ₹67,020.00 lacs (31st March 2019: ₹80,867.00 lacs) and gross of unamortised processing fees of ₹516.77 lacs (31st March 2019 : ₹601.59 lacs)

43. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders and issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 0.50 to 0.55. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

	(₹ in Lacs)	
	31st March, 2020	31st March, 2019
Interest bearing borrowings	1,19,070.93	1,24,951.76
Less : Cash and cash equivalents	(3,470.05)	(2,204.12)
Net debt (A)	1,15,600.88	1,22,747.64
Equity Share Capital	2,048.69	2,048.69
Other Equity	1,09,788.21	1,03,301.93
Total Capital	1,11,836.90	1,05,350.62
Total Capital plus Net debt (B)	2,27,437.78	2,28,098.26
Gearing Ratio ((A)/(B))	0.51	0.54

44. Details of CSR expenditure

	(₹ in Lacs)		
	31st March, 2020	31st March, 2019	
(a) Gross amount required to be spent by the Company during the year	50.92	41.72	
	In cash	Yet to be paid in cash	Total
(b) Amount spent during the year ending on 31st March 2020:			
i) Construction/acquisition of any asset	13.46	–	13.46
ii) On purposes other than (i) above	456.42	25.26	481.68
(c) Amount spent during the year ending on 31st March 2019:			
i) Construction/acquisition of any asset	37.68	–	37.68
ii) On purposes other than (i) above	422.29	74.88	497.17

45. Distribution of Dividend

	(₹ in Lacs)	
	31st March, 2020	31st March, 2019
Dividend on equity shares declared and paid :		
Final dividend for the year ended 31st March 2019 : ₹0.75 per share (31st March 2018: ₹0.75 per share)	1,536.52	1,536.52
DDT on Final dividend	315.84	315.84
	1,852.36	1,852.36
Proposed Dividend on equity shares :		
Proposed dividend on equity shares for the year ended on 31st March 2020 : ₹0.75 per share (31st March 2019 : ₹0.75 per share)	1,536.52	1,536.52
DDT on proposed dividend	–	315.84
	1,536.52	1,852.36

46. Fair Value

The fair value of the financial assets and liabilities approximates their carrying amounts as at the balance sheet date.

47. COVID 19 impact on business operations of the Company

- The operations of the Company were impacted in the month of March 2020 due to temporary shutdown of all plants following nationwide lockdown announced by the Government of India because of COVID-19 outbreak. The management is monitoring the situation closely and has started operating its plants in a phased manner from the last week of April. The management has made an initial assessment, based on the current situation, of the likely impact of the

Notes to the Ind AS Financial Statements (Contd.)

as at and for the year ended 31st March, 2020

lockdown on overall economic environment and cement industry, in particular, based on which it expects the cement demand to stabilise in due course, as driven by measures expected to be taken by the Government; and further, does not anticipate any challenge in the Company's ability to continue as a going concern or meeting its financial obligations. The Company has additionally, on a prudent basis, assessed its property, plant and equipment for impairment and reassessed the realizability of MAT credit of ₹6,807.36 lacs as on 31st March 2020. Based on projections, future outlook and carrying value of property, plant and equipment, there is no impairment charge that needs to be recognised and further, the management is confident that it will be able to utilise MAT Credit against future tax liability.

- b. The above evaluations are based on scenario analysis carried out by the management and internal and external information available upto the date of approval of these financial statements, which are subject to uncertainties that COVID-19 outbreak might pose on economic recovery.

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm registration number:301003E/E300005
Chartered Accountants

per Sanjay Kumar Agarwal
Partner
Membership No.: 060352

Place: Kolkata
Date: 22nd May 2020

For and on behalf of Board of Directors

CK. Birla
Chairman
(DIN 00118473)
Place: New Delhi

S. Bhattacharyya
Chief Financial Officer
(FCA 059004)
Place: Hyderabad

D.D. Khetrpal
Managing Director & CEO
(DIN 02362633)
Place: New Delhi

N. Bisaria
Company Secretary
(FCS 5634)
Place: Ghaziabad

Orient Cement Limited

CIN : L26940OR2011PLC013933

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